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CIA HISTORICAL STAFF

The DCI Historical Series

GENERAL WALTER BEDELL SMITH
AS DIRECTOR OF CENTRAL INTELLIGENCE
OCTOBER 1950 - FEBRUARY 1953

VOLUME I THE ESSENTIAL BACKGROUND

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DCI - 1

December 1971

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THE DCI HISTORICAL SERIES

DCI - 1

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Date 16 FEB 1990

HRP 89-5

GENERAL WALTER BEDELL SMITH
AS DIRECTOR OF CENTRAL INTELLIGENCE
OCTOBER 1950 - FEBRUARY 1953

VOLUME I THE ESSENTIAL BACKGROUND

by

Ludwell Lee Montague

December 1971

HISTORICAL STAFF
CENTRAL INTELLIGENCE AGENCY

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Preface

I am grateful to have been given the opportunity to write about General Walter Bedell Smith as Director of Central Intelligence, 1950-53. As this history will demonstrate, it was General Smith who finally established the Central Intelligence Agency in the role that had been intended for it by the President in 1946 and the Congress in 1947. That conception, which was worked out in JIC 239/5, 1 January 1945, had been lost from sight in the conflict with the departmental intelligence agencies precipitated by General Vandenberg and inherited by Admiral Hillenkoetter. It took a man of Smith's prestige, character, and ability to restore order and to create, for the first time, a really effective United States Intelligence Community. Thus the history of US Intelligence is clearly divisible into two distinct eras, before Smith and after Smith.

Let me set forth my qualifications to undertake this history and, incidentally, my point of view.

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I am a Ph.D. in history (Duke, 1935) and was Assistant Professor of History at the Virginia Military Institute until October 1940, when, as a reserve captain, I was called to active duty in the Military Intelligence Division of the War Department General Staff.

During 1942, as a lieutenant colonel and Secretary of the Joint Intelligence Committee, I was closely associated with Brigadier General Walter Bedell Smith, then Secretary of the Joint Chiefs of Staff. Our relationship at that time is indicated by the fact that in 1943, when Smith was Chief of Staff at Allied Force Headquarters in Algiers, he asked for me by name to be the Chief Historian at that headquarters. (I was not allowed to go, on the ground that my services were indispensable to the JIC.)

In December 1944, as a colonel and the senior Army member of the Joint Intelligence Staff, I participated in the fierce debate in the JIC over General Donovan's proposal for a "central intelligence service" and personally drafted JIC 239/5, the compromise that eventually served as the basis for

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the President's letter of 22 January 1946, establishing the Central Intelligence Group, and for the provisions of the National Security Act of 1947 establishing the Central Intelligence Agency. The conception of CIA that Bedell Smith finally established was derived from JIC 239/5, not from the Donovan plan.*

In January 1946 I was one of the eight men who reported for duty with the Central Intelligence Group on the first day of its existence and personally drafted NIA Directives No. 1 and No. 2. Thereafter I was Acting Assistant Director, CIG, under both Admiral Souers and General Vandenberg as DCI. Later I was Chief of the Intelligence Staff, ORE, 1946-47, under General Vandenberg, and CIA Member of the NSC Staff, 1947-51, under both Admiral Hillenkoetter and General Smith as DCI.

On 10 October 1950 (three days after he had taken office as DCI), General Smith put me in personal charge of the urgent production of national intelligence estimates pending the creation of an Office of National

* General Donovan understood the difference. He bitterly opposed JIC 239/5.

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Estimates. In November he made me a charter member of the Board of National Estimates.

I am not the first to have worked in this field of history. In 1951 William Jackson, Smith's Deputy, engaged Arthur Darling, a professional historian, to prepare a "historical audit" of the "evolution of the concept of a national intelligence system" for the information of the President, the National Security Council, and the Intelligence Advisory Committee, as well as the DCI, so that all might learn from CIA's past successes and failures. Darling's history extends from William Donovan's conception of a Presidential "coordinator of information" (1941) through Bedell Smith's initial reorganization of CIA (1950).*

Arthur Darling accomplished a monumental work in assembling from many scattered sources documents of historical value relating to the "evolution of the concept of a national intelligence system" and in recording interviews with the leading participants in that evolution who were available to him in 1951-52.

* Arthur Darling, *The Central Intelligence Agency, an Instrument of Government, to 1950*, 12 vols., CIA Historical Staff, HS-1.

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All concerned with the subject are indebted to him for that service. Darling's history, however, does not provide an entirely adequate basis for understanding Bedell Smith's problems and actions as DCI. For one thing, Darling had little experience in Government and he sometimes failed to comprehend the full significance of the material that he had collected.* For another, Darling, working for the DCI, took as his heroes the predecessor DCI's, Vandenberg and Hillenkoetter, and condemned, at least by implication, all those who had hindered and persecuted them -- including William Jackson and Allen Dulles!** That was not only impolitic; it was also a distortion of the history of the pre-Smith period.***

* Darling honestly recorded that William Donovan laughed when he read Darling's introductory essay on the nature of intelligence.

** Darling may have intended to assert his intellectual integrity and professional independence in the face of Jackson's evident purpose to condemn Vandenberg and Hillenkoetter in order to exalt Smith.

*** Infuriated, Allen Dulles decreed that no one should ever see Darling's history without his express permission. He was not concerned with security, but with what he regarded as historical misrepresentation. Dulles's own understanding of the history of the period was diametrically the opposite of Darling's, but itself less than perfect.

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For this reason I have felt obliged to review the pertinent aspects of the pre-Smith period in summary fashion, in order to establish an adequate basis for an understanding of the proceedings of Bedell Smith and his deputies, William Jackson and Allen Dulles.

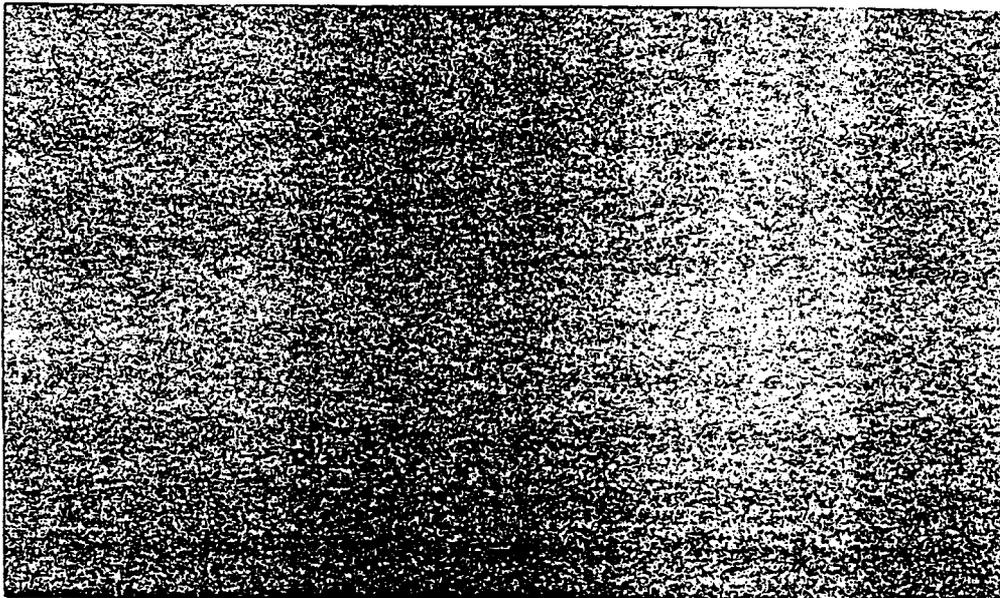
There is also an "organizational history" of the Bedell Smith period prepared by George Jackson and Martin Claussen as a sequel to Darling's history.* It is a well-researched and straightforward account of the structural changes within the Agency during the Smith regime, except as regards the Clandestine Services, which are not covered, and is an excellent source of factual information in greater detail than I have thought it necessary to present. In general, however, it does not go beneath the surface of events in order to explain them in terms of internal and external relationships and personal motivations, as I have endeavored to do.



* George Jackson and Martin Claussen, *Organizational History of the Central Intelligence Agency, 1950-1953*, 10 vols., Historical Staff, HS-2.

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I am especially indebted to Sidney Souers and William Jackson for their interest and assistance. Souers was the first Director of Central Intelligence (1946), the first Executive Secretary of the National Security Council (1947-51), and Special Consultant to the President (1951-53). Jackson was a member of the NSC Survey Group (1948), Deputy Director of Central Intelligence (1950-51), and Senior Consultant to the DCI (1951-53). Both men granted me day-long interviews and subsequently read and commented on the draft text.*

* Souers has read and commented on the entire draft. Jackson had read only through Chapter VI when illness prevented him from assisting me further.

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I am likewise especially indebted to Walter Pforzheimer, who was CIA's Legislative Counsel, 1946-55, and is now (1971) the Curator of its Historical Intelligence Collection. He has given me the benefit of his personal recollections, and has read and commented on the entire draft text -- as have Howard Ehrmann, Chief of the Historical Staff, and Bernard Drell, his deputy.

Others who have given me valuable oral testimony are, in the order of their first appearance in my source references, Averell Harriman, Lawrence Houston, Meredith Davidson, Robert Amory, John Earman, [REDACTED] Lawrence White, Wayne Jackson, Frank Reynolds, Gordon Butler, James Reber, John Bross, Sherman Kent, Abbot Smith, James Graham, Willard Matthias, Otto Guthe, Virginia Long, [REDACTED] Arthur Lundahl, Phyllis Beach, Thomas Lawler, Karl Weber, Louise Davison, Richard Helms, Gordon Stewart, James Lay, Burney Bennett, and Ray Cline. Most of those listed have also read and commented on the parts of the draft text with reference to which they had special competence. Mr. Helms was pleased to say that Chapter X, in which he appears, succeeded in giving

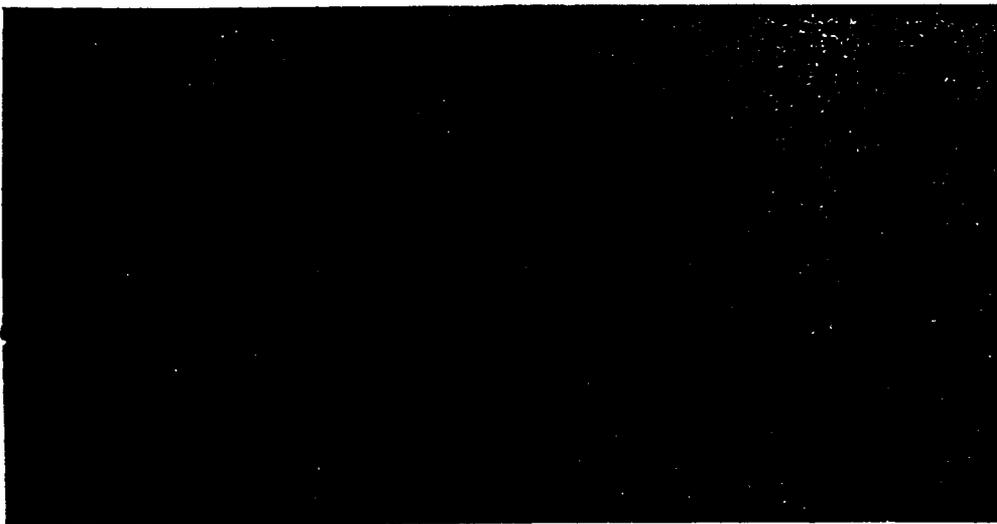
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the essence of the subject, and even the flavor of the time, without getting lost in the minutiae -- which is, of course, what I endeavored to do.

I am grateful to all of these informants for their generous contributions of information and judgment. Needless to say, however, I am solely responsible for the judgments that I have expressed and the passing comments that I have made.



Ludwell Lee Montague

December 1971

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Chronology

1950

- May President Truman personally selects Lieutenant General Walter Bedell Smith to be DCI, vice Admiral Hillenkoetter. Smith begs off on grounds of ill health. (He was facing a serious operation for a stomach ulcer. If he recovered well from that, he intended to retire from the Army and to seek a remunerative position in industry or the presidency of a university.)
- Jun Admiral Hillenkoetter asks to be reassigned to duty at sea.
- 25 Jun North Korean forces invade South Korea.
- 27 Jun President Truman commits US naval and air forces in defense of South Korea.
- 30 Jun President Truman commits US ground forces in South Korea.
- Aug Smith recovers well from operation. President Truman induces him to accept appointment as DCI in a time of national peril.
- Aug Smith persuades William Harding Jackson to accept appointment as DDCI.
- 18 Aug The White House announces Smith's appointment to be DCI. Smith announces that Jackson will be DDCI.
- 28 Aug The Senate confirms Smith's appointment to be DCI.
- 29 Aug At Smith's request (23 August), Lawrence Houston, CIA General Counsel, provides him with a comprehensive review of the problems confronting CIA.

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- Sep Smith confers with William Donovan and Allen Dulles in New York.
- 2 Oct William Jackson enters on duty as a consultant. (Hillenkoetter refused to make him DDCI.)
- 7 Oct Smith and Jackson take office as DCI and DDCI.
- 10 Oct Ludwell Montague submits to Jackson, at his request, a plan for an "Office of Estimates."
- 10 Oct Smith summons the IAC to an emergency meeting in his office.
- 12 Oct Smith attends his first NSC meeting and undertakes to carry out NSC 50, except with regard to the integration of OSO and OPC. The NSC agrees to that exception.
- 12 Oct Frank Wisner (the ADPC) explains Smith's interpretation of NSC 10/2 to the representatives of State, Defense, and the JCS, who accept it.
- 16 Oct Murray McConnell enters on duty as CIA Executive.
- 20 Oct Smith holds his first formal meeting with the IAC, calls for "rapid cooperative work," and announces his intention to establish an Office of National Estimates including a Board of National Estimates.



- 8 Nov William Langer enters on duty as prospective Assistant Director for National Estimates.
- 11 Nov * Smith asserts before the IAC his personal responsibility as DCI (in contrast to the "Board of Directors" concept).

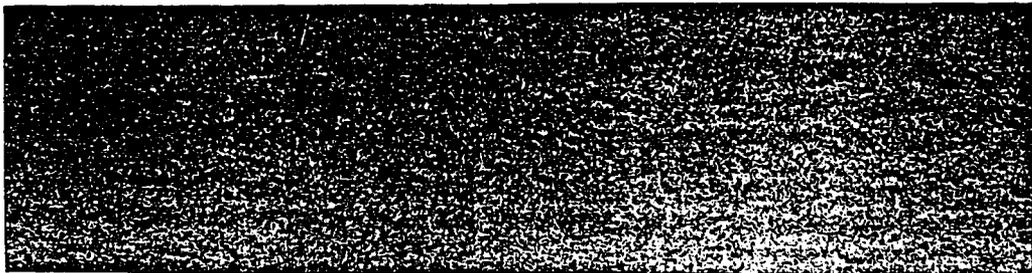
* But see minutes of the IAC meeting of 20 Oct 1950 where he makes this very assertion.

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- 13 Nov The establishment of the Office of National Estimates is announced, with Langer as ADNE. The residue of ORE is redesignated Office of Research and Reports, with Theodore Babbitt, former ADRE, as ADRR.
- 16 Nov Allen Dulles enters on duty as a consultant.
- 1 Dec McConnel is redesignated Deputy Director for Administration; provision is made for a Deputy Director for Operations; the Office of Special Services is established, with Horace Craig as ADSS; Colonel Matthew Baird is named Director of Training, DDA.
- 13 Dec Lyman Kirkpatrick is made Executive Assistant to the DCI. James Reber is designated Assistant Director for Intelligence Coordination.
- 18 Dec Smith holds first weekly Staff Conference (of Assistant Directors).
- 18 Dec The "Princeton Consultants" established.
- 18 Dec On or about this date Allen Dulles agrees to become Deputy Director for Operations (redesignated Deputy Director for Plans by 21 December, when announcement of the appointment is discussed at the Deputy Director's Staff Meeting).
- 22 Dec Allen Dulles drafts memorandum of understanding under which he is to start full-time work as DDP on 2 January 1951 (announced 4 January).



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28 Dec The Watch Committee of the IAC is established.

1951

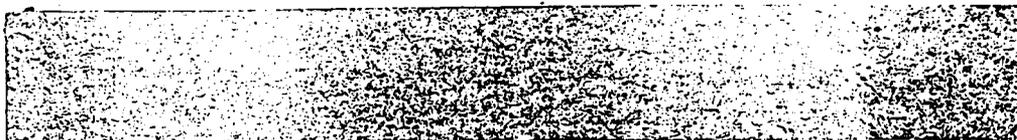
- [REDACTED]
- 2 Jan Allen Dulles officially assumes duties as DDP.
- 4 Jan Kingman Douglass designated ADSS, vice Craig.
- 4 Jan Max Millikan designated ADPR, vice Babbitt; enters on duty 15 January.
- 8 Jan Smith submits to the NSC a proposed revision of NSC 10/2 [REDACTED]
- 15 Jan The Office of Special Services is redesignated Office of Current Intelligence.
- 16 Jan William Jackson, Acting DCI, submits NSC 10/4, [REDACTED]
- [REDACTED]
- 1 Feb Smith requests access to JCS papers and cables for the information and guidance of DDP and ONE.
- 8 Feb JCS refuses to release US military information to the DCI.
- 9 Feb Executive Registry established.
- 14 Feb Allen Dulles (DDP) holds meeting on "the integration of OSO and OPC" (which was at this time contrary to Smith's policy).
- 15 Feb Major General W. G. Wyman enters on duty as ADSO, vice Colonel Schow.

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16 Feb Walter Reid Wolf made Special Assistant to the DCI.



28 Feb OCI publishes the first number of the CIA *Current Intelligence Bulletin* (replacing the CIA *Daily Summary* published since 1946).

3 Mar Wisner (ADPC) and Wyman (ADSO) agree to a redefinition of OPC and OSO area divisions to make them correspond to each other.

23 Mar The minutes of the Director's morning meeting with his Deputies begin.

27 Mar The Joint Chiefs of Staff recommend that NSC 10/3 and 10/4 be rejected, and that the NSC adopt a directive that would have subordinated the DCI to the JCS in time of war.

1 Apr Wolf made DDA, vice McConnel.

4 Apr President Truman establishes the Psychological Strategy Board composed of the Under Secretary of State, the Deputy Secretary of Defense, and the DCI. (Smith was later elected Chairman.)

5 Apr Webb, Lovett, Smith, and Bradley meet and agree on Smith's proposed revision of para. 4 of NSC 10/2.



16 Apr The NSC adopts Smith's revision of para. 4 of NSC 10/2.

18 Apr Smith subordinates the Office of Training directly to the DCI.

May Lieutenant Colonel Chester Hansen made Assistant to the DCI and first Chief of the Historical Staff.

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- 8 May Smith submits to the NSC a memorandum on the "Scope and Pace of Covert Operations" calling for a reappraisal and redefinition of CIA's functions and responsibilities.
- 17 May The IAC establishes the Economic Intelligence Committee.
- 24 May William Jackson (DDCI) recommends the eventual integration of OSO and OPC.
- Jun The Joint Chiefs of Staff propose a revision of NSCID No. 5.



- 11 Jun Smith considers that the reorganization of CIA pursuant to NSC 50 has been completed, orders the preparation of a final report to the NSC.
- 13 Jun The NSC adopts NSCID No. 15 on the coordination of economic intelligence.



- 25 Jun Smith wants a full-time Inspector.



- 1 Jul Lyman Kirkpatrick is made DADSO. Joseph Larocque succeeds him as the DCI's Executive Assistant.
- 2 Jul Smith advises the Secretary of Defense (Marshall) that the JCS proposal to revise NSCID No. 5 is unworthy of being submitted to NSC consideration.
- 3 Jul Baird, DTR, submits a staff study proposing the creation of an "elite corps" within CIA.

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30 Jul In response to an attack by the military intelligence agencies on the weapons applications subcommittees of the Scientific Intelligence Committee, Smith proposes to call on Dr. Karl Compton to investigate the entire field of scientific and technical intelligence.

[REDACTED]

1 Aug Smith is made a four-star general.

2 Aug Smith proposes a complex procedure for evaluating the net capabilities of the USSR to inflict damage on the continental United States.

3 Aug William Jackson resigns as DDCI and is made the DCI's "Special Assistant and Senior Consultant."

15 Aug The Joint Chiefs of Staff submit their views on "Scope and Pace."

23 Aug Allen Dulles is made DDCI, vice Jackson; Frank Wisner is made DDP, vice Dulles; Kilbourne Johnson is made ADPC, vice Wisner.

28 Aug The NSC Senior Staff rejects the views of the JCS on "Scope and Pace."

28 Aug The NSC adopts Smith's revision of NSCID No. 5.

31 Aug Kirkpatrick (DADSO) recommends a redefinition of functions that would give OSO a monopoly of clandestine contacts, whether for intelligence collection or covert action operations.

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- 10 Sep Major General Harold McClelland enters on duty as Assistant Director for Communications, subordinate to the DDP.
- 10 Sep The NSC adopts Smith's proposed procedure for net evaluations.
- 17 Sep Smith rejects the concept of a "small elite corps" within CIA, appoints a committee to develop a career service program covering all employees.
- 27 Sep Allen Dulles, presiding at the IAC, insists that the US position in an international intelligence estimate is perforce a national intelligence estimate and therefore the responsibility of the DCI and IAC, rather than the JIC. The Joint Staff accepted this ruling and requested of the DCI a US position paper for use in preparing a NATO intelligence estimate (SG 161).
- [REDACTED]
- Oct Arthur Darling enters on duty as an historical consultant.
- 20 Oct Kingman Douglass (ADCI) urges "a fresh look at the entire communications intelligence picture."
- [REDACTED]
- 24 Oct Wyman urges the integration of the field operations of OSO and OPC.
- 30 Oct Stuart Hedden enters on duty as Special Assistant to the DCI.
- 31 Oct Smith withdraws NSC 10/4 from further consideration.

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- 29 Nov Loftus Becker replaces Larocque as the DCI's Executive Assistant.
- 10 Dec Smith lays down the law regarding administrative support for the clandestine services. Colonel Lawrence White is appointed Assistant DDA, vice Shannon on 28 December. (White does not take office until 1 January 1952.)
- 11 Dec Larocque made DADO, vice White.
- 17 Dec Kirkpatrick made ADSO, vice Wyman.
- 17 Dec Last meeting of the weekly Staff Conference.
- [REDACTED]

- 28 Dec The Brownell Committee is appointed to investigate communications intelligence.

1952

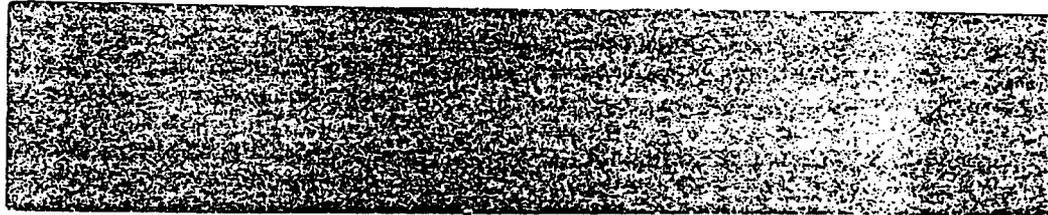
- 1 Jan Loftus Becker made Deputy Director for Intelligence and Stuart Hedden made Inspector General.
- 3 Jan Sherman Kent made ADNE, vice Langer.
- 4 Jan John Earman listed as Executive Assistant, vice Becker.
- 8 Jan Smith directs the integration of the OSO and OPC area divisions. The integrated divisions are to be directly responsible to the DDP, rather than to the ADSO and ADPC.
- [REDACTED]

- 11 Feb Robert Amory enters on duty as a consultant.
- [REDACTED]

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1 Mar The Office of Operations is transferred from the DDP to the DDI.

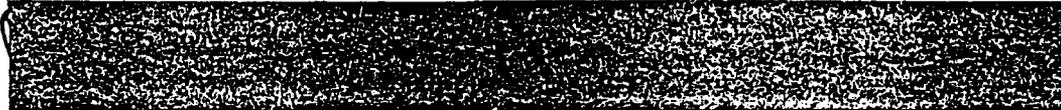
3 Mar General Lucian Truscott  brief Smith on plans for the integration of the OSO and OPC stations . At Smith's request,  outlines a plan for the general integration of OSO and OPC substantially the same as that adopted by Smith in July.

6 Mar Smith establishes an *ad hoc* committee to review DCID 3/3 (scientific intelligence).



17 Mar Robert Amory made ADRR, vice Millikan.

28 Mar NSCID No. 1 is amended to authorize the DCI, with the concurrence of the IAC, to release US national intelligence to foreign governments and international bodies (NATO).



17 Apr Wisner (DDP), Johnson (ADPC), and Kirkpatrick (ADSO) agree to proceed with the further integration of OSO and OPC pursuant to Smith's 8 January order.

23 Apr Smith submits to the NSC his final report on the reorganization of CIA pursuant to NSC 50.

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- 2 May Kirkpatrick (ADSO) proposes a plan of integration that would divide OPC into two offices and leave the three AD's in command of their respective operations subject to coordination by a Vice DDP (Kirkpatrick).
- 3 Jun Smith emphatically rebuts an EDAC report critical of ORR.
- 4 Jun At Smith's direction, Richard Helms submits a plan of organization for the integrated Clandestine Services.
- 5 Jun Smith refuses to produce estimates for components of the Department of Defense. That is the JIC's business.
- 13 Jun The Brownell Committee submits its recommendations regarding communications intelligence.
- 19 Jun Smith adopts a Career Service plan.
- 26 Jun Work begun on the "Summary Evaluation" of Soviet net capabilities to inflict damage on the continental United States.
- 27 Jun Huntington D. Sheldon enters on duty in OCI.
- 30 Jun Smith invites comment on his own draft of a plan for the integration of the Clandestine Services derived from the submissions of Kirkpatrick, and Helms.
- [REDACTED]
- 12 Jul Sheldon made ADCI, vice Douglass.
- 15 Jul Smith orders the integration of OSO and OPC under the direct command of the DDP in accordance with his own plan, effective 1 August. The offices of the ADSO and the ADPC will become staff units.

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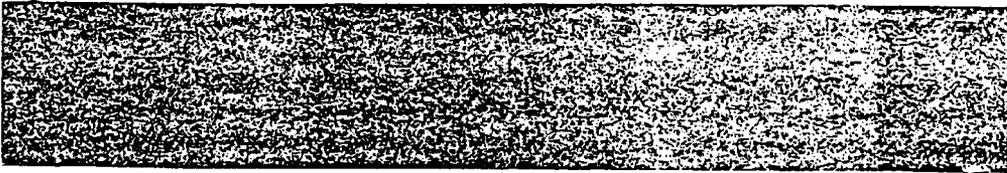
- 20 Jul Kirkpatrick stricken by polio.
- 22 Jul Major Gordon Butler reports for duty as Chief of the DCI's Cable Secretariat.
- 1 Aug Smith's order integrating the Clandestine Services goes into effect. Kirkpatrick (ADSO) made Chief of Operations (deputy and chief of staff to the DDP); [REDACTED]
[REDACTED] (Johnson, ADPC, resigned. [REDACTED] served as Acting Chief of Operations during Kirkpatrick's illness.)
- 1 Aug The Office of Communications is subordinated directly to the DCI.
- 14 Aug The IAC adopts DCID 3/4 abolishing the Scientific Intelligence Committee and establishing the Scientific Estimates Committee (a victory of the military over OSI).
- 14 Aug The IAC establishes the Intelligence Working Group to coordinate intelligence support for EDAC.
- 24 Aug Amory (ADRR) reorganizes ORR.
[REDACTED]
- 7 Oct Colonel Stanley J. Grogan made Assistant to the DCI and Chief of the Historical Staff, vice Hansen.
- 30 Oct Smith formally proposes to the PSB a revised procedure for reviewing and approving psychological warfare projects.
- 4 Nov Dwight Eisenhower elected President.
- 21 Nov Smith meets Eisenhower's train in Baltimore, and travels with him to Washington.

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28 Nov Smith consults William Jackson and C. D. Jackson regarding the establishment of the "Jackson Committee" to reappraise procedures for the direction and conduct of "cold war activities." Smith confides to William Jackson that he wants to be Chairman of the Joint Chiefs of Staff.



15 Dec The "Summary Evaluation" is presented to the JCS.

29 Dec The NSC adopts a revision of NSCID No. 9 embodying the recommendations of the Brownell Committee.



31 Dec The "Edwards Committee" is established to produce the "Summary Evaluation."

1953

Jan The "Jackson Committee" is appointed to reappraise procedures for the direction of "cold war activities."

8 Jan Smith attends IAC for the last time.

11 Jan Smith's nomination to be Under Secretary of State is announced.

16 Jan The "Summary Evaluation" produced by the "Edwards Committee" is presented to the NSC.

19 Jan Hedden resigns as Inspector General.

20 Jan Eisenhower inaugurated as President.

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- 23 Jan Smith attends the Director's morning meeting for the last time, decides that Darling should be replaced as the CIA Historian.
- 24 Jan Dulles's appointment to be DCI is announced.
- 6 Feb The Senate confirms Smith's appointment to be Under Secretary of State.
- 9 Feb Smith resigns as DCI.

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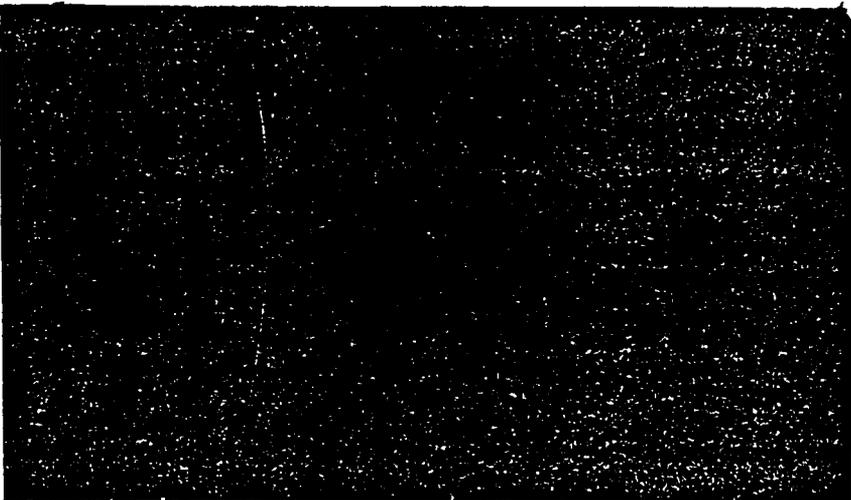
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General Walter Bedell Smith
As Director of Central Intelligence
October 1950 - February 1953

Volume I The Essential Background

I. A Biographical Introduction

As Director of Central Intelligence, he made an outstanding contribution to the national security of the United States. Through his firmness and tact, perceptiveness and judgment, and withal, through his brilliant leadership in a position of highest responsibility, he assured the realization of that ideal of a coordinated intelligence effort which was set forth by the Congress in 1947, and brought to a new height of effectiveness the intelligence machinery of the United States Government. Through his well-grounded and clearly-defined concept of intelligence, reinforced by his recognized integrity and high personal prestige, he won acceptance of the principle that policy decisions must be based upon sound intelligence.

-- Dwight D. Eisenhower
21 February 1953*

As President Eisenhower justly recognized, it was General Walter Bedell Smith who first brought into effective existence the Central Intelligence Agency

* On presenting to General Walter Bedell Smith the first National Security Medal ever awarded.

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and the United States intelligence community that had been contemplated in the President's letter of 22 January 1946 and in the National Security Act of 1947 and who first established intelligence in its proper role in the policy-making processes of the Government. In this sense, Bedell Smith deserves to be remembered as the real founder of CIA.

He had precursors, of course. William Donovan first conceived of a central intelligence agency in the service of the President, but his authoritarian attitude -- his zealous inability to consider any other point of view than his own -- prevented him from accomplishing his purpose. Sidney Souers, the first Director of Central Intelligence (DCI), served for five months. He never undertook to do more than to get that office established and capable of development by a "permanent" successor. His successor, Hoyt Vandenberg, stayed for only eleven months. Vandenberg had a grand conception of a totally self-sufficient, authoritarian central agency that went even beyond Donovan. He sowed the wind and left his successor, Roscoe Hillenkoetter, to reap the whirlwind. Hillenkoetter never wanted to be DCI and probably

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never should have been. He was unable to cope with the situation in which he found himself and gladly relinquished it to go to sea, which he said was the proper place for a sailor in time of war.

Thus it remained for Bedell Smith to accomplish what the President and the Congress had intended. That could have been done only by a man of his immense personal prestige, and also of his brilliantly perceptive judgment, his firmness -- and his tact.

Bedell Smith did not achieve perfection in a little more than two years, nor did CIA remain static under his successors, each of whom made his own constructive contribution. The Agency developed notably during the long tenure of Smith's immediate successor, Allen Welsh Dulles, who was DCI for nine years, far longer than any other man. Dulles certainly knew more of "the craft of intelligence" than Smith did. His understanding was not narrowly limited to covert operations, although his primary personal interest certainly was. His decisions as DCI were generally wise and constructive. It cannot be said, however, that the development of the Agency during his time was in accordance with any grand conception or

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preconceived plan. The Agency, like Topsy, "just grewed," in accordance with its inherent nature -- which had been established by Bedell Smith.

Thus the history of the Central Intelligence Agency and of the United States intelligence community is clearly divisible into two distinct eras -- before Smith, and after him.

Lieutenant General Walter Bedell Smith took office as Director of Central Intelligence on 7 October 1950.* On that same day William Harding Jackson took office as Smith's Deputy. Three months later, on 2 January 1951, Allen Welsh Dulles took office as Deputy Director for Plans (DDP) -- that is, for covert activities. Jackson departed in August 1951, and Dulles then succeeded him as Deputy Director. Smith departed in February 1953, and Dulles then succeeded him as Director.

The character of Smith's administration as DCI was strongly affected by the personalities and past experiences of these three men. This history therefore opens with biographical sketches of each of them,

* Smith was a four-star general effective 1 August 1951.

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before taking up the problems they faced and the solutions that they devised for them.

A. Walter Bedell Smith

Walter Bedell Smith was born in Indianapolis on 5 October 1895, the son of a local merchant. He attended St. Peter and Paul's School and entered Butler University, but in his freshman year he had to withdraw and go to work, because his father had become an invalid. He afterward sought to compensate for his lack of a college education by extensive professional and historical reading, with the result that he became a better read man than most college graduates.

In 1911, when he was 16, Smith enlisted in the Indiana National Guard. Two years later he was an 18-year-old first sergeant. In 1917 he was selected for officer training and was commissioned a reserve second lieutenant in November. He went to France with the 4th Division, was wounded at St. Mihiel (September 1918), and was then ordered to duty with the War Department's Bureau of Intelligence in Washington. That assignment was his only intelligence service prior to his appointment as Director of Central Intelligence in 1950.

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After the war Smith obtained a commission in the Regular Army. In addition to the usual assignments of an infantry officer in time of peace, he had one very unusual one, to be assistant to the chief coordinator of the Bureau of the Budget, 1925-29.

At the Infantry School in 1931, Captain Smith came to the favorable notice of Colonel George Catlett Marshall, the assistant commandant in charge of instruction. Upon Smith's graduation, Marshall had him appointed Secretary of the School. When Marshall became Chief of Staff of the Army in August 1939, he had Major Smith assigned as Assistant Secretary of the War Department General Staff. Smith consequently became Secretary of the General Staff in September 1941 and Secretary of the Joint Chiefs of Staff and the Combined Chiefs of Staff in February 1942.

Despite his outstanding qualities, Smith had had a hard struggle to win recognition in the Army, because he was not a West Pointer. Marshall, who was not a West Pointer either, was not affected by that consideration. Smith remained deeply grateful to Marshall for his recognition and patronage.¹/*

* For serially numbered source references, see the Appendix to each volume.

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When General Dwight David Eisenhower was assigned to command the US forces in the European Theater of Operations, Marshall suggested that he take Smith to be his Chief of Staff.^{2/} As Assistant Chief of Staff for War Plans, Eisenhower had been impressed by Smith's managerial performance as Secretary; he was glad to accept Marshall's suggestion. Thus Smith became Chief of Staff of the Allied Forces, first in North Africa and then in Europe.

Eisenhower later described Smith as "the general manager of the war" (of Eisenhower's part of it, that is) and as "a Godsend -- a master of detail with clear comprehension of the main issues."^{3/} Some say that Smith actually commanded the Allied Expeditionary Forces while Eisenhower played bridge, or at least that Smith was Eisenhower's real deputy as Supreme Commander,* rather than merely his chief of staff.^{4/} There can be no doubt of the importance of the role that Smith played at SHAEF,** but Smith himself gave Eisenhower full credit for his crucial command decisions.^{5/}

* The nominal Deputy Supreme Commander was British Air Marshal Tedder.

** Supreme Headquarters, Allied Expeditionary Forces.

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When Eisenhower returned to Washington, late in 1945, to succeed Marshall as Chief of Staff of the Army, he summoned Smith to be his Assistant Chief of Staff for Operations and Planning. Smith had hardly arrived in Washington, however, when he was asked to go to Moscow as Ambassador. President Truman and Secretary Byrnes considered that a general of Smith's reputation would be a more effective ambassador in Moscow than any civilian could be at that time.6/

Bedell Smith went to Moscow supposing (as did Truman, Byrnes, Marshall, and Eisenhower) that, although Marshal Stalin was certainly a suspicious and difficult man, he could be reached by a bluff soldier-to-soldier approach, and that mutual confidence and cooperation between the United States and the Soviet Union could thereby be established.*7/ The prevailing thought at that time was that the future peace of the world depended on the establishment of such a relationship; the alternative was too terrible to contemplate.

Three years in Moscow disillusioned Smith. His conclusion from that experience was that

* General Marshall retained this illusion until he went himself to Moscow as Secretary of State, in 1947.

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... we are forced to a continuing struggle for a free way of life that may extend over a period of many years. We dare not allow ourselves any false sense of security. We must anticipate that the Soviet tactic will be to attempt to wear us down, to exasperate us, to keep probing for weak spots, and we must cultivate firmness and patience to a degree that we have never before required.^{8/}*

Smith returned from Moscow in March 1949 to become the Commanding General of the First Army, with headquarters on Governor's Island in New York harbor. It was from that post that he was called to be Director of Central Intelligence.

President Eisenhower later said of Smith that, "strong in character and abrupt by instinct, he could achieve harmony without appeasement."^{9/} Smith did indeed "achieve harmony without appeasement" in his relations with the Intelligence Advisory Committee (IAC), which was composed of the heads of the departmental intelligence agencies under his chairmanship as DCI. His reputation as a strong and abrupt character was an important, but latent, factor in that success. The operative factor was his calculated effort to create an atmosphere of mutual consideration

* This is an apt sermon for our own time (1971).

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and good will.* General Smith could be a very engaging man when he set out to be. According to his deputy, his every action, "abrupt" or ingratiating, was calculated for effect.10/ He could be ingratiating without compromising his authority, without leading anyone to mistake that as a sign of weakness.** The force of his personality was such that, from the moment he entered a room, he commanded the respectful attention of all present there.11/

Vivid recollections of General Smith's "abrupt" and forceful expressions of impatience have tended to obscure the memory of his basic kindness and consideration, and of his strong sense of humor.

It happens that the author twice served General Smith directly, in 1942 and again in 1950, without ever experiencing from him anything other than friendly good humor and kind consideration. One understood that the General was a forceful and demanding man, impatient when disappointed, but one could approach him with confidence, if confident that one was serving him well.12/

* See Volume II, Chapter II, below.

** As had happened when Admiral Hillenkoetter attempted the same approach in 1947. See Volume I, Chapter II, below.

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Others who knew General Smith well testify also to his kindness and his good humor.* He was not only considerate, but even sentimental. He found his relaxation in tending a rose garden. He greeted with a kiss all the women of his familiar acquaintance, young or old, pretty or not. He was a shareholder in a toy factory, and he delighted to shower toys on the fathers of young children.13/

Bedell Smith never failed to recognize, and to remember, a subordinate's good performance, but he was indeed a terror to anyone who disappointed him. His general reputation was that of an "ogre" whom it would be unwise to provoke. The beginning of the explanation of the contradiction between his true character and his reputation is to be found in his own testimony. Noting that he had become first sergeant of an infantry company at the age of 18, he said, "It is possible that some of the less attractive characteristics of my personality were acquired at a very early age as an infantry first sergeant."14/

* For example, Meredith Davidson, John Earman, William Jackson, Walter Pforzheimer, Sidney Souers.

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One can imagine the performance that an 18-year-old first sergeant would have had to put on to dominate an infantry company, especially as such things were done in 1913. Sergeant Smith learned that it worked with buck privates. Lieutenant General Smith knew that it worked also with major generals. It is remembered of him that on one occasion, in October 1950, he "chewed out" a major general, a member of the Intelligence Advisory Committee, in the language of a drill sergeant addressing a lackadaisical recruit -- but at the same time calling him familiarly by his Army nickname.15/

Bedell Smith hazed the members of his personal staff unmercifully. It appears that in part he did so deliberately, as a technique for keeping them alert and hustling. They came to realize that it was also, sometimes, the expression of a teasing sense of humor.16/ But more often than not it was the expression of a genuine impatience. William Jackson, Smith's Deputy, understood that. Smith, he said, was an extremely brilliant man, very quick in his perceptions. He simply had no patience with men less brilliantly perceptive than he.17/

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No matter what the occasion for it, a broadside from Bedell Smith was always a shattering experience. Characteristically, Smith never apologized for his impatient outbursts, but he always found an early opportunity to demonstrate to his victims his continuing good will toward them. Members of his staff lived in a state of constant tension, but they remained personally devoted to the General.*18/

His personal staff members were not the only ones to receive such expressions of his displeasure. Such dignitaries as William Jackson, Allen Dulles, and Frank Wisner felt the same pressure.** Jackson, who was highly esteemed by Smith,*** said that he

* Smith's basic kindness is illustrated by the story of a member of his personal staff who became so terrified of him that his effectiveness was impaired. Smith was highly displeased to observe this reaction, but he neither kept the man near him, where he would inevitably be subjected to further hazing, nor did he summarily fire him. Instead, he quietly transferred him to a position of dignity in which he would be under less pressure.

** The radically different reactions of Dulles and Wisner are reported below, Volume II, p. 97.

*** Smith gave evidence of this esteem in several ways, notably by leaving a substantial and unexpected bequest to Jackson's son.

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could never feel at ease with Smith until they were being driven home together at the end of the working day.19/

Indeed, Jackson, Dulles, and Wisner felt Smith's ire more severely than did lesser folk. General Smith considered that senior officers ought to be able to defend themselves, but was solicitously concerned regarding the well-being and the morale of the troops.20/

In sum, Bedell Smith defensively concealed his essentially kind and generous nature, and deliberately cultivated a reputation for irritable impatience as a managerial technique.* Eventually his "abrupt" manner became habitual -- instinctive, as Eisenhower put it. But Bedell Smith could also be ingratiating and conciliatory when that suited his purpose, as this history will show.

Those who ventured to speak familiarly of Bedell Smith called him "Beetle". That nickname, obviously

* One of Smith's favorite sayings was: "I have a more even disposition than anyone here -- always terrible." Another was: "Every officer is entitled to make *one* mistake. You have just made yours."21/

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derived from his middle name, expressed his hyper-activity. It pleased him; he had a small black beetle embossed on his personal stationery. But Winston Churchill preferred to call him, admiringly, "the American Bulldog"22/ -- presumably for his seamed countenance and his indomitable tenacity of purpose.

B. William Harding Jackson

William Harding Jackson was born in 1901, at "Belle Meade", the estate of his grandfather, General William Harding Jackson, near Nashville. General Jackson had commanded a cavalry division in the Confederate Army of Tennessee. "Belle Meade" was famous for the breeding of thoroughbred horses.* During Jackson's childhood, however, his father and grandfather died and "Belle Meade" was sold.** His maternal grandfather, James B. Richardson of Nashville, decided that he should be sent to school in New England, where he attended Faye School and then St. Mark's.23/

* Portraits of famous "Belle Meade" stallions adorn Jackson's living room in Tucson, Arizona.

** "Belle Meade" is now owned by the State of Tennessee and maintained by the Association for the Preservation of Tennessee Antiquities.

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Jackson graduated from Princeton University in 1924 and from Harvard Law School in 1928. He began his career as a New York lawyer with Cadwalader, Wickersham & Taft, but went to work with Carter, Ledyard & Milburn in 1930 and became a partner in that firm in 1934. During these pre-war years, he was an active polo player and also an active pilot of light private aircraft.

On the morrow of Pearl Harbor, Tommy Hitchcock, the famous polo player, led Jackson into obtaining a commission as captain in the Army Air Corps, for service in air intelligence. After graduation from the Air Intelligence School in Harrisburg, Jackson was assigned to the headquarters of the Army Air Force Anti-Submarine Command, which operated under the control of the Navy's Eastern Sea Frontier. There, after a period of extreme boredom, Captain Jackson had the temerity to produce an analysis of the effectiveness of anti-submarine warfare as it was then being conducted off the US East Coast. He showed that it was a dismal failure and urged that the Army units involved be sent to reinforce the RAF Coastal Command for a concerted attack on the German submarines at their source in the Bay of Biscay.

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Captain Jackson's paper infuriated the US Navy, from Admiral King on down, but it delighted the Army Air Force. Jackson was reassigned to be Assistant Military Air Attache in London, in liaison with the Coastal Command. His recommendation was eventually carried out, although it took the personal intervention of the Secretary of War to overcome the bitter opposition of the Navy.24/

Jackson went on from this success to become a colonel and Deputy G-2 on the staff of General Omar Nelson Bradley, who was in command of the 12th Army Group. In addition to his official duties, he became Bradley's personal counsellor, particularly with regard to his relations with SHAEF. Bradley strongly resented what he regarded as SHAEF's undue favor toward Field Marshal Montgomery at the expense of the 12th Army Group. Since he was psychologically unable to blame his disappointments on his West Point classmate and old friend, "Ike" Eisenhower, he blamed them on the malign influence of that military upstart, Bedell Smith, Eisenhower's Chief of Staff. Thus there were elements of personal jealousy and military snobbery in Bradley's attitude toward Smith. Seeing all

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this only from Bradley's point of view, Jackson regarded Smith as "that ogre at SHAEF."25/

At the same time, Jackson came into cooperative contact with Allen Welsh Dulles, the chief of the OSS mission in Switzerland. Jackson had known Dulles as a lawyer in New York. They met in France to confer on how Dulles's clandestine operations into Germany might be made to serve the intelligence needs of the 12th Army Group.26/

At the end of the war, Jackson proposed to take advantage of the intimacy of US-UK military relations to make a thorough study of the British intelligence system, before the Foreign Office got around to regarding Americans once more as foreigners. It was arranged for him to do so under OSS auspices. Jackson spent two weeks in London conferring on the subject. His principal informant was Anthony Eden.27/ That was, of course, at too high a level for him to get a realistic, working-level view. He came away an enthusiastic admirer of the British

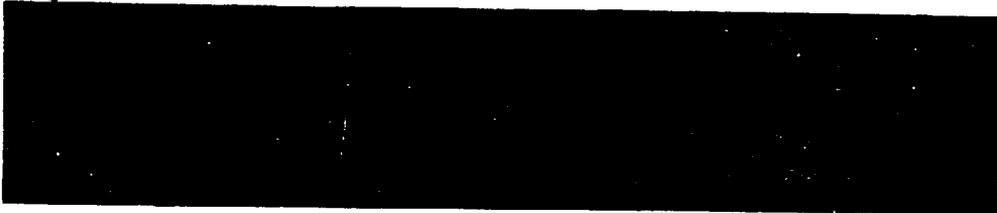
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Joint Intelligence Committee, which then did indeed enjoy the highest reputation in intelligence 

Jackson submitted his report to General William J. Donovan, the Director of Strategic Services. Donovan already knew all about the British JIC and could not have been less interested in any joint committee system. But Jackson later sent a summary to James Forrestal, the Secretary of the Navy, with whom he was personally acquainted,** and that established in Forrestal's mind the idea that Jackson was an expert on the British intelligence system. This letter was significant in that it first articulated the "Board of Directors" concept strongly advocated by Admiral Inglis, 1947-49.***



** Jackson had done legal work for Forrestal in New York before the war. He considered Forrestal a good man for whom to work, although he did not like him personally.

*** See pp. 62-69, below.

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Jackson returned to his law practice in New York, but his reputation as an authority on the British intelligence organization was such that in July 1946 General Vandenberg, then DCI, sent him, with Kingman Douglass,* [REDACTED]

[REDACTED] Jackson considered Douglass's participation superfluous.29/

Jackson and Douglass were included in the "Advisory Committee" that Vandenberg created in August 1946. That group was composed entirely of investment bankers and associated lawyers, but all had some acquaintance with the problem of interdepartmental intelligence coordination.***30/

In January 1948 James Forrestal, then Secretary of Defense, called on Jackson to participate with Allen Dulles and Mathias Correa in an investigation

* Douglass had been the senior US intelligence liaison officer in the British Air Ministry during the war and Acting Deputy DCI under Souers.

[REDACTED]

*** The others were Allen Dulles, Robert Lovett, Paul Nitze, and Sidney Souers.

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of the Central Intelligence Agency on behalf of the National Security Council. This Survey Group rendered its devastating report in January 1949.*

Meanwhile, in 1947, Jackson had left his law firm to become the managing partner in the investment banking firm of J. H. Whitney & Company. He was intent on achieving financial independence in this role when, to his surprise and dismay, the "ogre of SHAEF" asked him to drop this plan and return to Washington to be the Deputy Director of Central Intelligence.**

C. Allen Welsh Dulles

Allen Welsh Dulles was born in Watertown, New York, in 1893. His father was a Presbyterian clergyman. His grandfather, John Foster, was an eminent lawyer who had been Secretary of State, 1892-93. Robert Lansing, another lawyer who was Secretary of State, 1915-20, was his uncle by marriage. His brother, John Foster Dulles, was five years older than he.

* See p. 89, below.

** See Volume II, p. 9.

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John Foster Dulles accompanied John Foster to the Hague Convention of 1907, which was held during his junior year at Princeton. In 1911 John Foster placed John Foster Dulles with the New York law firm of Sullivan & Cromwell, which specialized in international law. Through the Lansing connection, John Foster Dulles was a member of the US Delegation to the Paris Peace Conference in 1919.

These connections and influences led Allen Dulles first into the Diplomatic Service and then into the law firm of Sullivan & Cromwell.

Allen Dulles graduated from Princeton University in 1914. He then taught English for one year at the Presbyterian missionary school in Allahabad, India, before returning to Princeton, where he received his MA degree in 1916.

In 1916 Dulles was commissioned in the Diplomatic Service and assigned to the American Legation in Vienna. He was transferred to Bern and served there during the war, 1917-1918. He was then (with his brother) a member of the US Delegation to the Paris Peace Conference. After further diplomatic service in Berlin (1919) and Constantinople (1920-22),

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he was recalled to the State Department to be the chief of its Near East Division.

While in Washington, 1922-26, Dulles studied law at George Washington University. In October 1926 he resigned from the Diplomatic Service and joined the firm of Sullivan & Cromwell in New York. He kept up his connections in the State Department, however, and served as legal adviser to the US delegations at the Geneva Conferences of 1927 and 1932. He was also active in the Council on Foreign Relations in New York.*

In 1942 William Donovan, who had known Dulles in legal circles in New York, recruited him for the Office of Strategic Services. From October 1942 until November 1945, Dulles was chief of the OSS clandestine operations based in Switzerland and of the OSS mission that entered Germany after the surrender. His achievements in that role are well known; he gave his own account of them in *Germany's Underground* (1947) and *The Secret Surrender* (1966).^{31/}

For these achievements, Allen Dulles came to be regarded as the American master of the craft of

* He became President of the Council in 1946.

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intelligence. In November 1945, when Robert Lovett was asked who should be the director of the central intelligence agency, he replied that the only name he had heard mentioned was that of Allen Dulles.32/

At the end of 1945, Dulles returned to his law practice in New York. In August 1946, however, General Vandenberg enlisted him in the DCI's "Advisory Committee."^{*} In February 1947, when Vandenberg's intention to resign as DCI became known, the State Department considered recommending Dulles to succeed him, only to discover that Admiral Hillenkoetter had already been selected.33/

In April 1947, when Congress was considering the statutory establishment of a central intelligence agency, Dulles submitted a nine-page memorandum on the subject. That memorandum consisted in large part of reiteration of the point that the Director of Central Intelligence and his principal lieutenants should be civilians of a judicial temperament, men willing to dedicate the remainder of their active lives to the task, rather than transient military

* See p. 20, above.

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officers looking elsewhere for the ultimate fulfillment of their careers.^{34/}* That point was well taken and well argued -- but one cannot escape the impression that Dulles was then thinking of himself as the judicious and dedicated civilian who ought to be Director of Central Intelligence.

Allen Dulles had made his reputation as a clandestine operator -- and later, as DCI, he certainly was CIA's "Great White Case Officer." It is notable, then, that in this 1947 memorandum he argued that 80 percent of CIA's information would come from open sources and only 20 percent from secret sources, a term that he used to cover communications intelligence as well as espionage. He stressed that in time of peace the great bulk of the information required would be of a civil rather than a military character: scientific, economic, social, and political. It would be of greater importance to understand the mind of the Kremlin and to trace the Soviet development of

* Admiral Souers had been DCI for less than five months, General Vandenberg for less than eleven. Souers, a reserve officer, had been impatient to return to his private business. Vandenberg, a career officer, had consented to become DCI only as a step toward the realization of his ambition to become Chief of Staff of the prospectively independent Air Force.^{35/}

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advanced weapons than to count the number of Soviet divisions. The collection of a vast amount of information would be futile unless it was evaluated and interpreted by knowledgeable, experienced, and mature men.* For such men to be available, it would be necessary to establish intelligence as an attractive professional career.36/

It has been said that Allen Dulles's interest was too narrowly confined to clandestine operations.37/ This memorandum written in 1947 shows that even then he had a good grasp of the entire subject, no matter how much his personal interest continued to be drawn primarily to clandestine operations.

In January 1948, Secretary Forrestal asked Dulles to head a three-man survey group appointed to investigate the functioning of the Central Intelligence Agency on behalf of the National Security Council. Thus Dulles had another opportunity to express himself on the subject. In January 1949, the survey group rendered a devastating report.

* Dulles's specific suggestion on this point was that the Research and Analysis Branch of OSS, which had been transferred to State, be retransferred to CIA.

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At some time during the fall of 1950, Bedell Smith asked Allen Dulles to come to Washington to supervise the clandestine operations of CIA. Dulles came in November, as a consultant. He was appointed Deputy Director for Plans on 2 January 1951.

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II. The Crucial Problem

The director shall be advised by a board consisting of the heads of the principal military and civilian intelligence agencies having functions related to the national security.

-- JIC 239/5
1 January 1945

When General Smith became Director of Central Intelligence, in October 1950, the proper relationship between the DCI and the heads of the departmental intelligence agencies who collectively composed the Intelligence Advisory Committee had been the subject of bitter controversy for six years. General Smith's unique personal contribution as DCI was his astute resolution of that controversy. A full appreciation of that achievement requires a summary review of the various concepts of that relationship that had been advanced during those six years, 1944-50. Such a review is presented in this chapter and the one that follows on NSC 50.

A. The JIS Concept, 1944

The wartime Joint Intelligence Committee (JIC) was composed of six intelligence powers, each jealous

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of its own sovereignty and jurisdiction.* There was no one in a position of leadership: the chairman (the senior military member by date of personal rank) was only first among equals, with merely procedural functions. No one represented the national interest as distinguished from conflicting departmental interests. The committee strove to achieve a consensus because the Joint Chiefs of Staff (JCS) were known to regard "split papers" with strong disfavor.** Disagreements could be resolved, however, only if someone backed down, or if, as more often happened, someone could devise an ambiguous formulation that would cover both opposing points of view. Joint estimates prepared on this basis tended to become vague and meaningless precisely at those points that were of most significance.

* To wit: the Assistant Chief of Staff G-2, War Department General Staff; the Director of Naval Intelligence; the Assistant Chief of Air Staff A-2; and representatives of the Department of State, the Foreign Economic Administration, and the Office of Strategic Services.

** The device of that time for presenting a disagreement was to present alternative texts in parallel columns -- that is, "to split the text." The wartime JIC sent forward only one split paper. It related to the functions of OSS, and OSS split the text.

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The Joint Intelligence Staff (JIS), the full-time working group that prepared papers for JIC consideration and adoption, was a band of brothers who lived and worked together. Despite their different departmental origins, they had a common point of view. They could almost always achieve agreement among themselves without strain -- but of course each was subject to instruction by a JIC principal who had considered the matter from only a departmental point of view.

The members of the JIS agreed among themselves that a headless joint committee like the JIC was the worst possible mechanism for producing intelligence estimates or for coordinating intelligence activities. On their own initiative, during the fall of 1944, they began to develop a plan for a better postwar interdepartmental intelligence organization. Inasmuch as every department concerned with national security or foreign relations would require a departmental intelligence agency to serve its peculiar operational needs, there would have to be an interdepartmental committee to bring together the heads of those departmental agencies to deal with matters beyond the

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exclusive competence of any one department. The members of the JIS felt strongly, however, that any such committee would have to have an independent chairman, appointed by the President, responsible solely to him, and free of the influence of departmental special interests. This chairman, having heard the argument on points in dispute among the departmental agencies, should have the power to decide what the text of the estimate or recommendation would say, on the basis of his own personal judgment. To prevent the suppression of responsible differing judgments, however, any member of the committee who objected to the chairman's decision on a substantial issue should have the right to express his position and the reasons for it in a dissenting footnote. This device was intended to obviate the evasion or obfuscation of critical issues, and to give the reader the benefit of a clear expression of both the chairman's considered judgment and the dissenter's opposing view.*

* The author, then senior Army member of the JIS, participated in the development of this concept.38/

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This concept, developed by the men who had had the most direct and practical experience of the functioning of a joint committee, is the touchstone for all that follows, and the essential element in the role of the Director of Central Intelligence today.

B. The State Department Plan, September 1944

Meanwhile the Department of State was developing a plan for a postwar "Office of Foreign Intelligence" within that Department. This plan was premised on the exclusive responsibility and authority of the Secretary of State for conducting the foreign relations of the United States, subject only to the direction of the President. It made no provision for the interdepartmental coordination of intelligence activities or of intelligence estimates. State simply assumed that it would dominate the field in time of peace, that the military intelligence services would be concerned only with such technical specialties as order of battle and weaponry.* State would

* The authors of this plan evidently had a strong sense of State's mission but no acquaintance with the world of intelligence. Army doctrine of that time held, for example, that political, social, and economic considerations were essential elements of military intelligence, which properly included anything that might affect Army operations.

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maintain "close liaison" with them, and would obtain through liaison whatever military inputs it needed for its own estimates. It had no idea of allowing the military a voice in those estimates which would provide the intelligence foundation for national policy.39/

C. The Donovan Plan, November 1944

In October 1944 a working draft of this State Department plan came into the possession of General William J. Donovan, the Director of Strategic Services. Donovan moved quickly to forestall State by submitting to the President a draft Executive Order releasing the Office of Strategic Services from its wartime subordination to the Joint Chiefs of Staff and transferring it to the Executive Office of the President.40/ His talking points, unexpressed in that curt document, were (1) that Presidential decisions on national policy and strategy should be based on intelligence free of the distorting influence of departmental policy, and (2) that an organization capable of providing such intelligence already existed in the Office of Strategic Services.

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It appears that Isadore Lubin dissuaded Donovan from presenting this draft Executive Order to the President and persuaded the President to request of Donovan a fully developed plan for a postwar intelligence service.^{41/} Donovan complied by submitting, on 18 November, a memorandum enclosing a draft order establishing a "central intelligence service" in the Executive Office of the President.^{42/}

Donovan distinguished between the "operational intelligence" required by the several departments in the performance of their respective departmental functions and the intelligence required by the President and his immediate advisors in order to plan and carry out national policy and strategy. He contemplated that departmental intelligence services would continue to exist to meet departmental needs, but made the central service exclusively responsible for the production of strategic and national policy intelligence. The director of the central service would determine what information was required for that purpose and how it should be collected -- whether by the central service directly, or through the departmental services. He would coordinate (that is, direct) the activities

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of all the intelligence agencies of the Government so as to ensure an integrated national intelligence effort. He would have access to all intelligence information available to the Government, and would accomplish the final evaluation, synthesis, and dissemination of the intelligence required for national policy planning purposes.

Donovan emphasized that the director of the central service should be responsible solely to the President. He made clear his strongly held opinion that the director should not be required to obtain the concurrence of the heads of the departmental services with regard to his national intelligence reports and estimates, or even with regard to his coordination of their activities. Indeed, he made no provision even to consult them.* As a grudging concession, he did include in his November proposals provision for occasional consultation with the Secretaries of State, War, and Navy jointly, but their

* Donovan regarded the existing JIC with anger and contempt. He had suffered both insult and injury from it, and he considered that any joint committee system must necessarily be incompetent and ineffectual.

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role would be only advisory. The director would act with the authority of the President.

D. JIC 239/5, 1 January 1945

Donovan's proposals were referred to the Joint Chiefs of Staff, and by them to the Joint Intelligence Committee, for comment and recommendation. That threw the fat into the fire! The three Service members of the JIC reacted violently to the idea of having "Wild Bill" Donovan authorized to direct and control their activities and to present to the President strategic intelligence estimates in which they had had no voice.*

The Army G-2 then had the ablest policy staff in the intelligence community (if it could be called a community at that time). The G-2 staff agreed that there were three functions that could be centralized to advantage: (1) the coordination of all intelligence activities; (2) the performance of services of common

* The State Department was strangely passive about this matter, considering the impact of Donovan's proposals on the basic premise of the Department's own plan. The Foreign Economic Administration was indifferent, but its representative in the JIS became the most passionate advocate of the Donovan Plan -- a reflection of his personal disgust with joint committees as a way of doing business.

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concern; and (3) the production of "strategic and national policy intelligence." It argued, however, that no one operating service (OSS, alias CIS) should be given the power to coordinate (that is, to direct) the operations of the others. Such authority would violate the principle of the chain of command: for example, it would make the operations of the Army G-2 subject to the control of an agency not responsible to the Chief of Staff or the Secretary of War. Moreover, such a coordinating agency would naturally favor its own operations, and that would eventually lead to a single intelligence service not necessarily responsive to departmental requirements. For these reasons, Army G-2 held that the coordinating function should not be assigned to the director of a central intelligence service, but rather to the Secretaries of State, War, and Navy, acting jointly, since they, individually, had the authority to direct the activities of their respective departmental intelligence agencies.^{43/}

That was sound doctrine, but the organization with which Army G-2 proposed to implement it was a four-part contraption: (1) a *central intelligence*

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authority composed of the three Secretaries; (2) a central intelligence planning agency,* to plan for coordination and submit recommendations to the authority; (3) a separate joint intelligence service to perform services of common concern; and (4) the existing JIC to produce "strategic and national policy intelligence."44/

JIC 239/5, the eventual compromise reached after a month of contention, combined the doctrine of the Army G-2 with the unitary and independent central intelligence service proposed by General Donovan. It proposed that the coordinating function be assigned to a *National Intelligence Authority* composed of the three Secretaries, and that the other three functions identified in the Army's scheme -- to plan for coordination, to perform services of common concern, and to produce national intelligence -- be assigned to a *Central Intelligence Agency*.45/ Be it noted that the

* This "agency" was actually a joint committee different from the existing JIC. It would consist of a director appointed by the President and members appointed by the Secretary of State and the three Chiefs of Staff.

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director of this agency could only submit plans and recommendations to the Authority, which alone had the power to coordinate by decree.*

In JIC 239/5, the director of the central agency not only was made responsible to the three Secretaries, but also was required to consult the heads of the departmental intelligence agencies. He was not made responsible to them, however. Their relationship to him was expressly described as only advisory.^{46/}

The original JIS concept** was not spelled out in JIC 239/5, but was understood by all concerned to apply to the relationship between the director and his advisory board. It was thought to be sufficiently implicit in the assignment of functions to the central agency and the explicit designation of the board as advisory to its director.

* In 1958 the NSC delegated to the DCI the task of coordinating intelligence activities, but the word was then used in a sense different from that understood by it in 1944 -- i.e., coordination through leadership, persuasion, and agreement rather than by command. It is still true that only the NSC has the power to coordinate by decree (1971).

** See pp. 30-31, above.

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There would have been no Central Intelligence Agency without General Donovan's initiative, but it is historically erroneous to suppose, as is commonly done, that CIA is based on the Donovan plan. Actually, CIA is based on the much more sophisticated doctrine of the Army G-2 Policy Staff and on the agreement reached in JIC 239/5, which was significantly different from the Donovan plan, as General Donovan himself well understood.

On 9 and 11 February 1945, the *Chicago Tribune* and the *Washington Times-Herald* published the secret texts of JCS 1181 (the Donovan plan) and JCS 1181/1 (JIC 239/5 as submitted to the JCS with insignificant amendments by the Joint Strategic Survey Committee). The publication of these secret documents was accompanied by an outcry that an American Gestapo was about to be created.* This outcry moved the JCS to shelve the entire subject indefinitely.47/

* This contention was absurd on the face of the documents quoted. J. Edgar Hoover, Director of the Federal Bureau of Investigation, is believed to have been responsible for this breach of security, his purpose being to prevent the creation of a central intelligence agency based on OSS. Hoover then had a scheme for the development of the FBI into a "world-wide secret intelligence" agency. That agency would have been concerned only with clandestine collection. The functions of evaluation and analysis would have been assigned to the Department of State.

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On 5 April 1945, President Roosevelt asked General Donovan to see whether he could sell his 18 November plan to the Cabinet. Donovan got uncomprehending and negative responses from the Secretaries of State and Treasury, the Attorney General and Postmaster General, and the Secretaries of the Interior, Agriculture and Labor. The decisive response was from the Secretary of War. Mr. Stimson indicated that he strongly preferred the JCS plan (JIC 239/5) and said that State, War, Justice, and the Navy had agreed that the subject should be deferred until the conclusion of hostilities.48/

At this point Donovan's Deputy, General John Magruder, pleaded with him to accept JIC 239/5 in lieu of his own plan.* He could thus disarm the opposition and get the Central Intelligence Agency established without delay, while OSS was still in being to serve as its nucleus. With that foundation established, other desiderata could be obtained through normal development in practice.49/ That

* As the OSS member of the JIC, Magruder had voted for JIC 239/5 as a reasonable compromise. Characteristically, General Donovan paid no attention to the considerations adduced in the JIC debate.

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was wise counsel, but General Donovan refused to consider it. The result was the destruction of OSS.

E. The Budget Bureau Plan, September-December 1945

In April 1945 the Bureau of the Budget was already at work on a plan for a postwar intelligence system. The Bureau ignored both the Donovan plan and JIC 239/5. Instead, it produced a less parochial version of the State Department plan of 1944.* The difference was provision for an elaborate structure of interdepartmental committees under State's control for the coordination of intelligence programs. The basic premise remained the same: the responsibility and authority of the Secretary of State for the conduct of all foreign affairs.

The Bureau went into action soon after the surrender of Japan. On 20 September 1945, it persuaded President Truman to sign two documents. One was an Executive Order dissolving the Office of Strategic Services, transferring its Research and Analysis

* See p. 32, above.

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Branch to State and its remaining elements to the War Department -- all to take effect only ten days later, on 1 October.^{50/} The other was a memorandum directing the Secretary of State to take the lead in developing a comprehensive and coordinated foreign intelligence program through the creation of an interdepartmental group "heading up under the State Department."^{51/}*

These two related developments were a shock to the Foreign Service officers who dominated the Department of State. They failed to perceive the advantages thus presented to State, and vehemently resented the intrusion of strange men and ideas into their preserve.^{52/} The ensuing contention and confusion within the Department was such that eleven weeks passed before Alfred McCormack, the Secretary's new Special Assistant for Research and Intelligence,** was ready

* War and Navy contended that this ambiguous expression meant that an interdepartmental group should be formed to devise a plan. State, proceeding unilaterally to devise a plan, held it to mean that the permanent structure should "head up" under State, which was evidently Budget's intention.

** Colonel McCormack was a New York lawyer who had been Chief of the Special Branch, G-2, during the war.

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to present his proposals to the War and Navy Departments, even though what he then proposed was, substantially, what the Bureau of the Budget had prepared before 20 September.

The State Department (Bureau of the Budget) plan presented on 3 December provided for an Interdepartmental Intelligence Coordinating Authority, composed of the Secretaries of State, War, and Navy, which would determine the intelligence requirements of all of the departments and agencies of the Government and the appropriate means to satisfy them. It would assign operating responsibilities, review the adequacy and efficiency of all intelligence programs, and establish centralized operating agencies as need might appear. Actually, this work would be done, subject to the Authority's approval, by an Executive Secretary, an officer of the Department of State. He would manage the Authority's agenda, submit his recommendations to it, and see to the proper execution of its decisions. He would be assisted by an Advisory Group composed of full-time representatives of the Assistant Chief of Staff G-2, the Director of Naval Intelligence, and the Assistant Chief of Air

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Staff A-2.* Analyses and proposed programs would be submitted to him by a proliferation of Interdepartmental Coordinating Committees on every conceivable topic. For a start, twelve such committees were proposed, each of which would be chaired by an Assistant Secretary.**53/

Thus, unlike General Donovan, the Department of State was now willing to consult in every case with each interested party -- but it was obvious that the whole elaborate committee structure was intended to be merely consultative, and that effective control of the coordination process would be vested in the Executive Secretary and his Assistant Secretaries, officers of the Department of State.

The State Department and Budget Bureau exhausted themselves in devising this mechanism for coordination.

* Note that these officers themselves were nowhere in the picture, not even as an advisory board like that contemplated in JIC 239/5.

** This plan provided also for a separate Interdepartmental Security Coordinating Authority to be served by the same Executive Secretary with the aid of a second advisory group and a second proliferation of topical committees (eight to begin with).

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With regard to services of common concern, they could only provide that the Authority might establish centralized agencies for such purposes if it perceived a need to do so. It was agreed in principle that there should be a central agency to conduct clandestine operations. Other central agencies might be established for other purposes, but each would be separate and limited to a particular task. It was stated as a principle that no central agency should be established if any departmental agency could perform the task as a service to the other departmental agencies.54/

With regard to "strategic and national policy intelligence" the Department of State was adamant. Such intelligence would be produced by the Department, on the authority of the Secretary of State alone, as a necessary consequence of his unique responsibility for foreign affairs. The staff to be established within the Department for this purpose would accept the participation of officers seconded to it by the War and Navy Departments, but would not be bound to obtain their concurrence or that of the service intelligence chiefs. There would be no advisory board like that contemplated in JIC 239/5.55/

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This plan had been prepared without consulting anyone in the War and Navy Departments. Their reaction remained to be reckoned with.

F. JCS 1181/5 and the Lovett Report

In August 1945, on the initiative of the Deputy Director of Naval Intelligence, Rear Admiral Sidney W. Souers, the Joint Chiefs of Staff were reminded of JIC 239/5.^{56/} On 19 September the Chiefs adopted JCS 1181/5, which was substantially identical with JIC 239/5,* and requested the Secretaries of War and Navy to forward their recommendation to the President.^{57/} They were, of course, too late. On 20 September, when President Truman signed the papers presented to him by the Bureau of the Budget,** he was unaware that the Joint Chiefs of Staff had an alternative plan.

While they waited for the Secretary of State to set up an interdepartmental committee to devise a plan or else to present his own plan, the Secretaries of War

* The difference, which was essentially rhetorical, increased emphasis on the subordination of the Director of the central agency to the National Intelligence Authority.

** See p. 44, above. - *See also p. 44, above.*

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and Navy commissioned studies of their own on the subject. The report submitted to Secretary Forrestal by Ferdinand Eberstadt on 22 October contained a strong endorsement of JCS 1181/5 (JIC 239/5).^{*58/} So did the report submitted to Secretary Patterson by Robert Lovett on 3 November.^{59/}

The Lovett Report was, in general, a paraphrase of JCS 1181/5, but, significantly, Lovett took the trouble to spell out the JIS concept of the relationship between the Director, CIA, and his advisory board,** as follows:

The Director shall consult with and secure the opinion of the Board on all important questions that may arise In the event of a difference of opinion ... the decision of the Director shall be controlling, subject, however, to the right of any member of the Board to have the question submitted for final decision to the National Intelligence Authority. The Director should also consult with the Board before delivering any estimates and appreciations to the President or any member of the Cabinet, and if there shall be any difference of opinion ... the differing opinion should accompany the Director's report.

* Souers wrote the intelligence chapter of the Eberstadt Report.

** See pp. 30-31, above. Presumably Lovett was advised on this point by John Magruder, then Chief of the Strategic Services Unit in the War Department.

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At the regular periodic meeting of the Secretaries of State, War, and Navy held on 14 November, Forrestal insisted that action be taken to establish a central intelligence agency without further delay, and Patterson had Lovett present his summary report on the subject. Byrnes, unbriefed for this, agreed in principle to the Lovett concept and an *ad hoc* committee was formed to work out the details.60/* In that committee, however, McCormack proved to be intransigent,61/ and on 3 December he presented his version of the Budget Bureau plan as though the 14 November meeting of the three Secretaries had never been held.

The War and Navy Departments refused to accept McCormack's plan, even after he had modified it superficially to meet some of their objections.62/ They thought absurd the idea of 20 different coordinating committees and several separate central intelligence agencies, but their main objection was that they would be denied any effective voice in the intelligence to be presented to the President as the

* The members of this committee were McCormack and Russell for State, Lovett and Brownell for War, and Souers and Correa for Navy.

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basis for national policy and strategy. They were determined to have the Lovett plan, which was JCS 1181/5, which was JIC 239/5. .

G. The President's Letter, 22 January 1946

By the end of December, President Truman's patience had been exhausted. He called for copies of the State Department and JCS plans,63/ in order to see for himself what the difference was. Having seen, he decided emphatically in favor of the JCS plan, overrode the demur of the Director of the Budget, and summoned Admiral Souers to the White House to help draft the necessary action paper.64/*

The President's action took the form of a letter to the Secretaries of State, War and Navy.66/ Its substance was adapted by Souers from the draft directive annexed to JIC 239/5.67/ It established a National

* Souers was not a Truman "crony"; he first met the President when he went to the White House for this purpose. Truman already knew Souers's name, however, as that of a pillar of the Democratic Party in St. Louis, and as that of an officer who had played an important role in the development of the JCS plan and was high in the confidence of Admiral Leahy and Secretary Forrestal.65/

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Intelligence Authority and directed this Authority to establish a Central Intelligence Group, to be composed of personnel and facilities to be provided by the State, War, and Navy Departments* under a Director to be appointed by the President.

The title "Director of Central Intelligence" (instead of Director, Central Intelligence Agency) first appeared in the President's letter. Presumably the change was made because there was, in fact, no Agency. It was retained in the National Security Act of 1947 and afterwards proved useful in distinguishing between the DCI as head of the intelligence community and as head of a particular agency, one constituent in that community.

The title "Intelligence Advisory Board" also first appeared in the President's letter. The text of that paragraph was taken verbatim from JIC 239/5, except for the use of proper titles for the director and the board. The language of JIC 239/5 and the

* This arrangement was deemed legally necessary pending the enactment of legislation to establish a Central Intelligence Agency. Such an independent Agency could not be created by Executive Order.

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President's letter was then understood by all in terms of Secretary Lovett's more explicit text on the same subject.

H. Admiral Souers and the IAB, February-June 1946

Rear Admiral Souers was appointed to be the first Director of Central Intelligence on 23 January 1946. He emphasized that the Central Intelligence Group was a "cooperative interdepartmental activity"68/ -- as of course it had to be as long as the DCI remained dependent on the Departments for personnel and facilities. Souers fully understood the JIS-Lovett concept regarding the relationship between the DCI and IAB, but, having been through the battles over the Donovan and McCormack plans, he was primarily concerned with retaining the confidence and cooperation of the members of the IAB.

Souers met five times with the IAB during his less than five months as DCI. He cleared with the IAB his drafts for NIA Directives No. 1, 2, and 3, and discussed with it a variety of problems relating to the functions and internal organization of CIG. None of these matters occasioned any difficulty, except his proposal to publish an interpretive *Weekly Summary* in addition to the *CIG Daily*, from

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which comment was excluded.* State was alarmed by the idea of CIG's publishing uncoordinated comment on current intelligence but received no support and reluctantly acquiesced. Since no national intelligence estimates were produced during Souers' brief tenure, no precedents were established with regard to their consideration and adoption. The intention was to proceed in accordance with the JIS-Lovett concept.69/

I. General Vandenberg and the IAB, June 1946-May 1947

Admiral Souers, a reserve officer, was impatient to return to his private business in St. Louis. He had consented to serve as DCI only in order to get the Central Intelligence Group started without further delay and only until agreement could be reached on a "permanent" successor. On 10 June 1946 he was relieved as DCI by Lieutenant General Hoyt Vandenberg.70/

* A single, all-sufficient daily summary of current information was all that President Truman particularly desired to get from CIG. The Secretary of State jealously insisted that this *Daily* contain no comment on the reports summarized, reserving that function for State. See Volume III, p. 103.

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An obvious reason for Vandenberg's selection to be DCI was that he was the ranking member of the Intelligence Advisory Board. As the highly decorated former commanding general of the Ninth Army Air Force,* he was also, personally, the Board's most distinguished member. Another consideration was that he was a nephew of Senator Vandenberg; there was at the time a special concern to prevent the legislation to establish a Central Intelligence Agency from becoming a party issue.^{71/} In relation to these impressive credentials, the General's relative lack of experience in intelligence must have seemed unimportant. Indeed, it was probably thought good that a man of Vandenberg's distinction had had any such experience at all.**

The fact was that General Vandenberg had no interest in pursuing a career in intelligence. His

* The US tactical air component of General Eisenhower's command in Europe.

** During the preceding 11 months, Vandenberg had been Assistant Chief of Staff, G-2. He had had no part in the battle over the Donovan plan, which might have been instructive to him, and had been only a remote observer of the battle over the McCormack plan.

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ambition was to become the Chief of Staff of the prospectively independent Air Force. He sought to avoid being named DCI, until it was pointed out to him that, as DCI, he could make himself personally known to the President, the three Secretaries, and the Chairman, JCS, and thus advance toward his true goal.72/

Although Vandenberg had no long-term interest in the subject, he had very positive ideas about the proper role of the DCI and CIA. He held a poor opinion of Souers' cautious, consultative approach to the IAB, and was resolved not to follow it. A youthful, vigorous, and self-confident 47, his instinct was to take command and issue orders. In this he was a reincarnation of General Donovan. Indeed, he outdid Donovan, who had been more realistic. Vandenberg's simple conception was to build up the prospective CIA into an independent, entirely self-sufficient, national intelligence service. He would then discover wasteful duplication of intelligence effort and reduce the departmental intelligence services to mere staffs of briefers for presenting the CIA product in their respective departments.73/

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Thus Vandenberg's purpose was to create the single intelligence service that the wartime G-2 Policy Staff had warned against.* Moreover, it was entirely contrary to the intention of JIC 239/5, JCS 1181/5, the Lovett Report, and the President's letter.

Vandenberg brought with him from G-2 a group of Army colonels headed by Edwin K. Wright, who had been for a few months the G-2 Executive but who had had no other intelligence experience.** These men closeted themselves, consulted no one who had been through the debates of 1944-46, and, ten days after Vandenberg took office, produced a draft NIA directive that was designed to enable Vandenberg to carry out his intention.^{74/} It would have authorized the DCI to do three new things:

* See p. 37, above.

** Wright enlisted in the Army in 1920, when he was 21, and three years later was made a second lieutenant. He achieved distinction as an Armored Force instructor and staff officer, and served on the staff of the 12th Army Group, 1944-45. Apparently General Bradley recommended him to General Vandenberg when the latter became G-2. Wright was DDCI under both Vandenberg and Hillenkoetter.

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(1) To undertake any research and analysis that he deemed necessary in order to produce "strategic and national policy intelligence."

It was pointed out that the DCI could not meet his personal responsibility for the accuracy, adequacy, and timeliness of such intelligence if he was required to rely solely on evaluated intelligence from the various departments.

(2) To centralize the production of any intelligence of interest to more than one department whenever, in his judgment, that work could be more efficiently done centrally, and, in such cases, to take over the departmental organizations engaged in such work, including their funds, personnel, and facilities.*

(3) To act as the executive agent of the NIA in coordinating and supervising all Federal foreign intelligence activities related to the national security.

* Two such "services of common concern" were specified: (1) all Federal espionage and counterespionage for the collection of foreign information; (2) all Federal monitoring of the foreign press and foreign propaganda broadcasts.

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As should have been expected, this document produced an explosion in the IAB. Vandenberg's response was disarmingly disingenuous. He had meant only to engage in a little supplementary research to find and close gaps in coverage. He accepted verbal amendments that limited his research to that purpose, required him to obtain the agreement of the interested IAB members before centralizing any intelligence function, and specified that he should "act for" the NIA (instead of as its executive agent) in coordinating (but not supervising) Federal foreign intelligence activities. Thus amended, the draft directive went to the NIA with the concurrence of the IAB and was adopted as NIA Directive No. 5, 8 July 1946.75/

It may be doubted whether the members of the National Intelligence Authority would have grasped the differences implied by these textual changes, even if they had been made aware of them. They had no time to devote to the active coordination and supervision of intelligence activities. They were glad to have a vigorous young DCI act for them in such matters. As for General Vandenberg, he had

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gotten the substance of what he wanted, at some cost in verbal clarity. Given authority to engage in research, he could undertake any research he pleased, for it was a sure thing that departmental research could be found wanting in adequacy and timeliness. He moved at once to convert Souers' Central Reports Staff, designed to produce current intelligence and to coordinate "strategic and national policy intelligence," with an authorized strength of 60, into an Office of Research and Evaluation (ORE)* recruiting toward a strength of 2,000!76/ The members of the IAB soon began to realize that, even in the NIA directive's amended form, they had been outmaneuvered. Thus Vandenberg got the authority he wanted, at the cost of thoroughly antagonizing the IAB.

Two weeks after the adoption of NIA Directive No. 5, the DCI produced the first national intelligence estimate, ORE 1, "Soviet Foreign and Military Policy." The President had called for it on Friday morning, for

* Established 22 July 1946; changed to Reports and Estimates 27 October, in deference to State's sensitivity about CIG research. Vandenberg was ever ready to give words to get substance.

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delivery to him at noon on Tuesday.* By dint of a crash effort, a draft text coordinated with representatives of the departmental intelligence services was delivered to the DCI shortly after noon on Tuesday. Vandenberg sent it on to the President without consulting the IAB. His later excuses for that omission were: (1) the President had asked him for his personal estimate; (2) the President had called for a separate estimate on the same subject from the JIC, the membership of which was identical with that of the IAB, and had received a separate response from them, so that he was aware of their views**; (3) in any case, ORE 1 had in fact been coordinated with the departmental agencies, and there had been no time left for any further formalities.77/

Rear Admiral Thomas B. Inglis, the Chief of Naval Intelligence, was not disposed to let this incident pass

* President Truman had little, if any, conception of any differences between current intelligence, basic intelligence, and estimative intelligence. To him, intelligence was simply the information that one had on hand.

** The JIC response was a hasty hodge-podge, not comparable to ORE 1 in analytical quality, but there was no contradiction between the two estimates.

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as an extraordinary scramble setting no precedent. He took occasion to make the point that the DCI's estimates must include a statement of the personal concurrence or dissent of each member of the IAB -- a reasonable interpretation of the intent of the President's letter and NIA Directive No. 1.*

Admiral Inglis did not, however, want the IAB to meet to discuss the substance of estimates. All that he wanted was an opportunity to vote on them by the "voting slip" method that the JIC had devised to avoid the necessity of meeting.78**

There was a lengthy IAB meeting on this proposal. Vandenberg sought to substitute for it an idea that had been approved in NIA Directive No. 2 but had never been implemented, that of having full-time representatives of the IAB agencies participate in the preparation of CIG estimates. Vandenberg's counter-proposal was

* This idea was explicit in the Lovett Report. NIA Directive No. 1 contained such a provision with regard to recommendations to the NIA, but, by inadvertence, did not with regard to intelligence estimates.

** This system meant, of course, that the members of the JIC acted on joint estimates without joint consideration of the subject. If any member objected to some point in the draft, the JIS would have to find a way to paper over the difficulty.

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adopted,79/ but, in the context of his steadily worsening relations with the IAB, it was never effectively implemented.*

In the course of this heated debate, Inglis made a pronouncement that went far beyond the inter-departmental coordination of national intelligence estimates. He declared that the IAB had the authority and responsibility to direct and supervise all of the operations of CIG. Vandenberg rejected that idea, and no one then supported Inglis,80/ but Inglis would raise it again with IAB support to plague Vandenberg's successor. It therefore requires examination.

J. Admiral Inglis and the "Board of Directors" Concept

Admiral Inglis was not an enemy of the Central Intelligence Group, or of the prospective Central Intelligence Agency. He had strongly supported JIC 239/5, and it was he (prompted by Souers) who had brought that proposal again to the attention of the Joint Chiefs of Staff,81/ which led to JCS 1181/5 and the President's letter.** But Inglis was

* See Volume III, pp. 18-20.

** See pp. 36-39 and pp. 47-51, above.

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outraged by Vandenberg's departures from what Inglis knew to be the true intent of those documents. He saw emerging a Director as arbitrary in his relations with the departmental agencies as General Donovan would have been. But in his reaction, Admiral Inglis went to the opposite extreme. His doctrine that the operations of CIG were subject to the control of the IAB was as much a deviation from the intent of the President's letter as was Vandenberg's plan.

Inglis was not opposed, as was the Department of State, to the development of a large CIG Office of Research and Evaluation generally competent in the fields of political, economic, social, and geographic intelligence. In April 1946 he had united with Vandenberg in proposing to Souers that the former Research and Analysis Branch (R&A) of OSS be transferred from State to CIG.⁸²/* Inglis wanted CIG

* At that time R&A was being dismembered by its enemies within State.⁸³/ Transfer to CIG would have preserved its integrity, and would have obviated any need to create a duplicate research office in CIG. Souers, however, feared that it would draw down upon CIG the departmental jealousy and hindrance that had frustrated OSS -- which indeed happened in the case of ORE. In February 1947, Secretary of State Marshall reintegrated the former R&A as the Office of Research and Intelligence (ORI).⁸⁴/ Inevitably, ORI regarded ORE's research and reporting as an intolerable duplication and a direct threat to ORI's still insecure existence, if not to the military intelligence services as well. (ORI was redesignated OIR -- Office of Intelligence Research -- in March 1947.)

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to do all of ONI's basic research work, as a "service of common concern" presumably useful to the other departments as well. Even while objecting to Vandenberg's publication of a national intelligence estimate without first obtaining his personal concurrence, he was demanding that ORE produce at once a great volume of descriptive ("basic") intelligence for the benefit of the departmental intelligence agencies.^{85/} Thus Inglis wanted a productive ORE, but only as a servant of the departmental agencies -- as the Research and Analysis Branch of OSS had been, with its program under the control of the IAB.

But where did Inglis get the idea that the IAB was a "board of directors" in control of the CIG, with the DCI no more than its executive officer? Certainly he could not find that idea in JIC 239/5, the Lovett Report, or the President's letter. He got it from William H. Jackson's letter to James Forrestal, the Secretary of the Navy, dated 14 November 1945.* No doubt the Secretary forwarded this letter to his Chief of Naval Intelligence.

* See p. 19, above.

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In this letter, by a line of reasoning akin to that which underlay JIC 239/5, Jackson proposed a similar system for the coordination of all intelligence activities, the performance of services of common concern, and the "coordination of intelligence opinion in general estimates of a broad strategic nature." The significant difference between his proposals and those of the contemporary Lovett Report* was in his prescription regarding the relationship between the director of the central agency and the heads of the departmental agencies, which is quoted below.86/

The active direction of the Central Intelligence Agency should be in a Directorate of Intelligence, consisting of the chief intelligence officers in the Army, Navy, and Air Forces, a representative of the Department of State and, perhaps, representatives of other departments

Acting under the general supervision of the Directorate of Intelligence would be the Director of the Central Intelligence Agency. This Director, a man of the highest intelligence qualifications available in the United States, regardless of military or civilian background, should be appointed by the President upon the advice of the Department of

* See p. 48, above.

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Defense, or the [National Security] Council, or the various Secretaries described above [that is, the NIA as subsequently established.]*

The Central Intelligence Agency, which should be run by the Director, would have various departments comprising the intelligence facilities and services of common usefulness ... **

Admiral Inglis made only one heated reference to the "board of directors" concept during Vandenberg's tenure as DCI. He developed the issue more fully during his conflict with Vandenberg's successor, Admiral Hillenkoetter.*** It is convenient, however, to present here the principal points of argument in that debate.

Given a strong sense of need to curb Vandenberg and Jackson's articulation of the "board of directors" concept, Inglis could find some few debater's points

* These were Jackson's contingent recommendations regarding the NIA function.

** Jackson suggested that political, economic, scientific, topographic, photographic, and communications intelligence be centralized in CIA. Apparently he assumed that the former R&A Branch of OSS would be transferred from State to CIA. For his position in the different circumstances of 1948 and 1950, see p. 80, below, and Volume III, p. 1.

*** See p. 76, below.

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in support of his thesis. JCS 1181/5 had referred to a "common intelligence agency": i.e., a conception of the central agency as the common property of the participating departments. NIA Directive No. 1 had described the CIG as a "cooperative interdepartmental activity." As a matter of practical fact, the DCI had been dependent on the three Departments for personnel and facilities.* In consulting the IAB, Admiral Souers had made no distinction between interdepartmental coordination and the internal affairs of the CIG.

In pursuing this line of argument, Admiral Inglis had to ignore the antecedents of the President's letter. In particular, Lovett had considered and rejected the "board of directors" concept, and the three Secretaries had based their recommendation to the President on Lovett's report. The interest and authority of the three Departments was represented by the NIA, not by the IAB. The President's letter

* Vandenberg escaped from this dependency. He was able to show that the departmental agencies had failed to supply properly qualified personnel to CIG and therefore that he needed authority for direct recruitment. The fact was that few well-qualified intelligence officers were available in the military services. Most men with modern intelligence experience were reserve officers eager to return to their homes, now that the war was over.87/

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expressly described the IAB as advisory to the DCI. Its very name declared its function to be only advisory.*

When the National Security Act of 1947 was under consideration by Congress, Admiral Inglis gave strong testimony in favor of the establishment of a Central Intelligence Agency with ample powers and functions. He stressed the importance of subordinating the DCI to the NIA, alias the NSC, a reprise of his position in the JIC debate in 1944. Given that, he thought that the DCI should be the executive agent of the NSC, with power to give direction to the departmental intelligence agencies in the name of the NSC. He never mentioned the idea of the IAB as a "board of directors" empowered to give direction to the DCI. The duty of the IAB members, he said, was to ensure the effective collaboration of the departmental agencies with the central agency. To that extent, they would share with the DCI responsibility for the success of the Central Intelligence Agency.88/

* Inglis later sought to evade this obvious point by contending that the IAB (IAC) was advisory to the NIA (NSC). That was sheer sophistry.

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Thus, it would appear, the "board of directors" concept was not, for Admiral Inglis, a fundamental principle that should be incorporated in the statute, but rather a tactical weapon to be employed, within the IAB, against any DCI whom he deemed to be too arbitrary.

With regard to Admiral Inglis, a nagging question obtrudes, whether his clash with General Vandenberg and his bitter conflict with Admiral Hillenkoetter were motivated in any degree by disappointment that he had not been chosen to be DCI in their stead. Inglis himself denied that he had any such ambition, but one may still wonder about that.

Hillenkoetter and his aides came to regard Inglis as the implacable enemy of CIA. In fact, however, he was opposed only to the trend of CIA's development under Vandenberg and Hillenkoetter. Admiral Inglis should be remembered as one of the founders of CIA (as Vandenberg and Hillenkoetter were not), and as a staunch advocate of a strong and broadly competent Agency. If he had ever been made DCI, he would have been a good one.

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K. The National Security Act of 1947

From the beginning it had been understood that the CIG was only a temporary expedient, and that a central intelligence agency should be established by Act of Congress as soon as practicable. General Vandenberg's staff prepared the draft of a bill for that purpose. It was overtaken by the development of the National Security Act of 1947, which was designed to reorganize the entire national security apparatus of the Government. Among other things, it provided for the establishment of the National Security Council and, subject to that Council's direction and control, the Central Intelligence Agency.*

As regards CIA, the intention of the Act was to give legislative sanction to the provisions of

* Other relevant provisions were for the establishment of a Secretary of Defense (but as yet no Department of Defense), for the division of the War Department into the Departments of the Army and the Air Force, and for the statutory establishment of the Joint Chiefs of Staff. Until 1947 the JCS organization derived its existence solely from President Roosevelt's agreement to implement Prime Minister Churchill's plan for a Combined Chiefs of Staff organization.

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the President's letter of 22 January 1946, with the substitution of the NSC for the NIA. In an early version of the bill, the provisions of the President's letter had been incorporated by reference. There was objection to that as bad legislative practice. Therefore the four functions assigned to the DCI in the President's letter were copied into the final text of the Act, with some editorial revision,* and one more was added: to "advise" the NSC regarding the activities of the departmental agencies -- as distinguished from making recommendations for their coordination. The idea seems to have been that recommendations for coordination would have to carry the concurrence or dissent of the IAB members, and that the DCI needed additional authority to advise the NSC regarding their activities without obtaining their concurrence or even, necessarily, consulting them. Thus the purpose was to free the DCI from the trammels of the IAB, at least to that extent.89/

* The only change of substantive significance was the requirement that CIA make "appropriate" (rather than "full") use of the departmental agencies. It was evidently intended to make CIA less dependent on the departmental agencies, more free to exercise independent judgment.

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Ironically, one incidental consequence of dropping the intended reference to the President's letter was that the National Security Act of 1947, as finally adopted, contained no reference, direct or indirect, to the Intelligence Advisory Board. When the Act went into effect, on 17 September 1947, the IAB was left without any warrant for its continued existence!

L. Admiral Hillenkoetter and the IAB/IAC,
May 1947-January 1949

Early in 1947, when the War Department requested the return of General Vandenberg to duty in the Air Force, the only question considered with regard to his successor was which *admiral* he should be. On 17 February 1947 the NIA agreed upon the selection of Rear Admiral Roscoe H. Hillenkoetter.* He demurred -- he had just settled himself in an assignment that he preferred, as Naval Attache in Paris -- but his

* The Special Assistant to the Secretary of State remained ignorant of this fact for two more weeks and then learned of it by accident, from a member of his office seconded to CIG. The Special Assistant was then preparing to nominate Allen Dulles to be DCI. Obviously the Secretary had not consulted him with regard to Hillenkoetter's appointment, and indeed had not even informed him of it.90/

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preference was overruled and he was ordered to be DCI. Moreover, in evident sensitivity to criticism of the brevity of the tenure of Souers and Vandenberg, Hillenkoetter was committed to devote the remainder of his active service (eleven years) to that assignment.

At age 51, Admiral Hillenkoetter already had behind him a distinguished career in intelligence. His service as Naval Attache at Vichy had strongly impressed Admiral Leahy, then Ambassador there, now the President's personal representative in the NIA. During the war he had organized the Joint Intelligence Center at Pearl Harbor, and for that had won high commendation from Admiral Nimitz. In late 1945, when Souers had declined consideration to be DCI, Secretary Forrestal had thought next of Captain Hillenkoetter, but had been dissuaded, on the grounds that Hillenkoetter was too junior to the members of the prospective IAB and that he was not familiar with the background of JCS 1181/5.91/ Souers had then been drafted, but now, little more than a year later, Admiral Leahy proposed Hillenkoetter's

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name, and the three Secretaries agreed that it was a fine choice.*

Despite this distinguished patronage, Rear Admiral Hillenkoetter took office as DCI on 1 May 1947 under two severe handicaps. One was the embattled attitude of the IAB toward the DCI, which had been provoked by Vandenberg. The other was the fact that, in point of personal rank, Hillenkoetter was junior to every military member of the IAB.**

Hillenkoetter, by nature an amiable man, realized that he must pacify the IAB if he was to accomplish his task as DCI. On 26 June he told the NIA that he did not need the authority granted to Vandenberg to "operate within his jurisdiction as an agent of the Secretaries of State, War, and Navy" whose "decisions, orders and directives" should have the same force and effect within those departments as though they had been issued by the Secretary

* In the author's observation, Admiral Hillenkoetter was a first-rate naval aide and current intelligence briefing officer, with little depth of perception in anything else. Admiral Souers considered him no more than an "amiable Dutchman."

** The military members of the IAB at this time were Major General Stephen Chamberlin (Army), Rear Admiral Thomas Inglis (Navy), and Major General George McDonald (Air Force).

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himself.* Hillenkoetter recommended that this interpretation be revoked, in order to quiet the apprehensions of the IAB members and restore a spirit of mutual confidence and goodwill. Secretaries Marshall and Patterson and Admiral Leahy were doubtful of this act of abnegation -- Vandenberg had persuaded them that the DCI really needed such authority -- but Secretary Forrestal considered that the interpretation had caused unnecessary friction and it was revoked.93/

Moreover, when it was observed that the National Security Act of 1947 contained no warrant for the continued existence of the IAB, Hillenkoetter proposed to reconstitute that board as the Intelligence Advisory Committee (IAC).** He wished to do that on his own

* In February 1947, Vandenberg had obtained from the NIA this interpretation of the meaning of "act for" in NIA Directive No. 5. It overrode the contention of the IAB that the DCI could "act for" the NIA only with the agreement of the IAB. Vandenberg had been able to show that it had taken him up to eight months to obtain watered down agreement from the IAB.92/

** Under the 1947 Law the NIA, the CIG, and presumably the IAB were all to expire when the DCI took office. On 26 September, the day that Hillenkoetter was sworn in under the new legislation, the NSC, meeting for the first time, extended the life of all directives of the former NIA applicable to the late CIG until they were superseded by NSC directives. In the same measure the
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authority as DCI (which would show who was boss), but was persuaded that it should be done by an NSC directive.

Instead of responding to Admiral Hillenkoetter's conciliatory approach, the embittered military members of the former IAB interpreted that as a sign of weakness and set out to impose on him the "board of directors" concept. Their plan was to interpose the contemplated IAC between the NSC and the DCI, making it advisory to the NSC, and making the DCI the executive agent of the proposed IAC rather than the agent of the NSC.* Coached

NSC instructed the DCI to submit appropriate draft directives within sixty days. Understandably, in developing these proposals, the DCI chose to regard the IAB as corporately defunct although he convened its former members on 20 November and 8 December in their capacities as departmental intelligence chiefs, to consult on his recommendations to the NSC, including his plan to create a new kind of IAC.

* During this same period the JIC (the military members of the IAB) succeeded in imposing the "board of directors" concept on the Deputy Director of the Joint Staff for Intelligence. The JCS directive establishing the Joint Staff had emphasized its independence of the Departments of the Army, the Navy, and the Air Force, but the recommendations and estimates of the Deputy Director for Intelligence could reach the JCS only through the JIC and with its approval. That provision effectively reduced the Deputy Director of the Joint Staff to the status of a servant of the JIC. The military members of the IAB (the JIC) were seeking to reduce the DCI to the same status in relation to the IAC.

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by the staff that he had inherited from Vandenberg,* Hillenkoetter resisted that attempt, with some support from the State Department member of the former IAB.** A bitter wrangle over this issue went on from July until December. In its latter stages it was over the terms of NSC Intelligence Directive No. 1. Hillenkoetter was finally compelled to invoke the authority of the Secretary of Defense. Forrestal thereupon laid down the law to the Secretaries of the Army, Navy, and Air Force, and to their intelligence chiefs, that Hillenkoetter's version of NSCID No. 1 was to be accepted.94/

Even with this authoritative support, Hillenkoetter was conciliatory when, on 8 December, he met

* His Deputy, Brigadier General Edwin K. Wright and his General Counsel, Lawrence R. Houston. In the ensuing debate Hillenkoetter himself frequently expressed personal indifference regarding the issue, but insisted that the CIA position should be presented to the NSC with any IAB dissents, so as to obtain a command decision from the NSC.

** The State representatives (William Eddy and his successor, Park Armstrong) were determined to destroy Vandenberg's ORE, but otherwise upheld the authority of the DCI, which they wished to invoke to make weight against the enemies of OIR within the State Department.

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with the former members of the IAB as, in effect, a drafting committee to perfect the DCI's draft for NSCID No. 1. He recognized that there were two opposing and strongly held points of view. He would not presume to judge between them. Without rancor among themselves, they should pass any substantial issue to the NSC for a command decision, by means of a draft text with appropriate dissents. He would accept whatever the NSC decided, and so, he presumed, would they.95/

When they got down to consideration of the text, Admiral Inglis and General Chamberlin abandoned their more extreme contentions, but Admiral Hillenkoetter accepted a number of verbal amendments which, in cumulative effect, substantially eroded the authority that Vandenberg had claimed for the DCI and that Congress had presumably intended him to exercise. Hillenkoetter later explained that he accepted these compromises in order to get agreement and end the controversy, hoping to be able to develop the CIA-IAC relationship along more positive lines after mutual confidence and good will had thereby been established.96/

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Hillenkoetter had opened the meeting of 8 December by reading aloud a passage from a letter from Dr. Vannevar Bush to Secretary Forrestal. Bush had referred to the controversy between the DCI and IAB, and had urged that "someone at the highest level" should break the deadlock and decide the issue without further delay. That was Hillenkoetter's theme at the beginning of the meeting: that they should stop wrangling and refer the issue to the NSC for an authoritative decision.

In his letter, Dr. Bush referred incidentally to "the imminence of a vigorous inquiry." Hillenkoetter did not know what that meant. Neither, apparently, did any member of the former IAB. What was meant is the subject of the next chapter.

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III. The "Dulles Report" and NSC 50

General Smith stated that NSC 50, giving effect in substance to the recommendations of the so-called Dulles Committee Report, had not yet been carried out by the Central Intelligence Agency, but that it was his intention promptly to carry out this directive.

-- IAC Minutes
20 October 1950

A. The Idea of an Independent Survey

Sidney W. Souers was called back to Washington to be the Executive Secretary of the National Security Council to be established pursuant to the National Security Act of 1947. Souers asked Secretary Forrestal how he expected the NSC to exercise its statutory responsibility to supervise the operations of the Central Intelligence Agency.* Forrestal responded that the Council would have no time for that; Souers

* Forrestal conceived that, as Secretary of Defense, he would be in charge of the NSC, because the Act described the Secretary of Defense as the President's principal assistant "in all matters relating to the national security." (Actually, that language was intended only to give the Secretary precedence over the Joint Chiefs of Staff.) At the first meeting of the NSC, however, President Truman decided that the Secretary of State (Marshall) should preside in the absence of the President.^{97/}

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should do it, as Executive Secretary. Souers replied that if he had wished to supervise CIA he would still be DCI, which he was not. Neither he nor Forrestal was at that time aware of any particular problem with regard to CIA. They were talking about routine supervision. Both men realized that, while the NSC could act on the recommendations of the DCI, it had no way to keep check on the general performance of CIA.98/

Hillenkoetter suggested to Forrestal that it might be well to have some independent and impartial consultants review the organization and procedures of CIA and define more clearly how the Agency should function under the Act of Congress.99/ His motives for making this suggestion may be inferred. Hillenkoetter had had no part in developing the idea of a central intelligence agency. He had no preconceptions as to the role and mission of CIA, but he did know that Vandenberg and the IAB had had a furious quarrel about this matter, and that the members of the IAB were still angry and sensitive about it. It would be helpful to him, in his relations with them, if some body not involved in the dispute were to lay down a clear doctrine on the subject. Hillenkoetter

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did not care personally what the doctrine might be, so long as it was clearly established by authority of the NSC. He and his colleagues would then know how to carry out their assigned functions in a disciplined military manner.

Hillenkoetter did not press his suggestion on Forrestal, and Forrestal was preoccupied by other problems. Hillenkoetter was left to struggle with the IAB over issues that meant nothing to him but a great deal to his advisers in CIA -- until, finally, he appealed to Forrestal for a command decision.*

In October 1947 -- when Hillenkoetter's struggle with the IAB over the NSCID's was at its height -- Hanson Baldwin published an article the theme of which was that the greatest weakness of the United States was in intelligence, its real first line of defense. Baldwin was not attacking CIA, but rather was advocating a stronger CIA. There ought to be more centralization of intelligence rather than less. He dwelt upon the general decline of the quality of intelligence personnel since the postwar demobilization,

* See pp. 74-79, above.

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and also on the general incompetence of the military mind to grasp the intelligence problems of the day, which were political, economic, and psychological rather than military. He deplored the domination of all of the intelligence agencies by military men,* and the subordination of the national interest in the coordination of intelligence activities to a struggle for power among them. The Director of Central Intelligence should be a civilian with authority to control the departmental agencies and to impose coordination upon them.100/

This Baldwin article impressed Robert Blum, who had just become Secretary Forrestal's staff assistant for NSC and CIA affairs. Blum was concerned about the competence of the three military intelligence agencies, as well as about the competence of CIA and the interdepartmental coordination of intelligence activities. Blum proposed that a group of qualified consultants be formed to survey the

* Colonel Park Armstrong, the Special Assistant to the Secretary of State, was a lawyer rather than a soldier, but he had served in Army G-2 during the war.

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situation.^{101/} It appears that it was this proposal that led to the creation of the NSC Survey Group.*

B. The NSC Survey Group

On 13 January 1948 the NSC recommended to the President that a group of individuals from outside of the Government service be appointed to make a "comprehensive, impartial, and objective survey of the organization, activities, and personnel of the Central Intelligence Agency" and to report to the NSC on (1) the adequacy and effectiveness of the present organizational structure of CIA, (2) the value and efficiency of existing CIA activities, (3) the relationship of those activities to those of the other Departments and Agencies, and (4) the utilization and qualifications of CIA personnel.^{102/}

It is notable that these terms of reference confined the investigation to the CIA. They did not

* In commenting on this passage, Admiral Souers insisted that it was he who proposed the independent survey, on the occasion mentioned above, p. 80. That was six months before the Survey Group was established. The more immediate impulse seems to have come from Hanson Baldwin and Robert Blum, through Forrestal, but Souers could reasonably believe that he had inspired Forrestal's proposal to the NSC.

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encompass Blum's concern regarding the competence of the departmental intelligence agencies and their cooperation with the central agency. The reason for that was that some question had been raised regarding the authority of the NSC to investigate the departmental agencies. Supplemental terms of reference authorized the Survey Group to examine the departmental agencies in relation to the problem of interdepartmental coordination, but the emphasis remained on the presumed shortcomings of CIA.^{103/} In the event, the competence of the departmental agencies to supply CIA with timely and reliable finished intelligence was never thoroughly examined, although the question was germane to CIA's requirement for integral research capabilities. Thus the investigation had from its inception a perhaps unintended anti-CIA bias.

Secretary Forrestal selected all three of the members of the Survey Group, subject to President Truman's approval, of course. They were Allen W. Dulles (Chairman), William H. Jackson, and Mathias F. Correa.* These particular men were chosen simply

* Regarding Dulles and Jackson, see above, pp. 15-27. Correa was a New York lawyer with considerable civil and military experience in criminal investigation and
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because Forrestal knew them personally and deemed them specially knowledgeable in relation to the subject. They were chosen without regard to the doctrinal controversy between CIA and the IAC over the "board of directors" concept.104/

This was indeed a highly qualified group, but it was hardly impartial. Dulles was predisposed to be critical of a military Director and Deputy Director, and a generally military administration of CIA.* He was also predisposed to listen with special sympathy to the complaints of the former OSS men in OIR (State) and OSO (CIA's office of clandestine collection). Both groups were highly critical of Hillenkoetter.** Jackson

security. In 1945, as a Marine major and Secretary Forrestal's favorite aide, he had been associated with Souers in defeating the McCormack plan and promoting the JCS plan (see pp. 48-49, above).

* See p. 24, above.

** OIR's attitude toward ORE has been mentioned above, pp. 63 and 77. The OSS veterans in OSO complained that they had no access to Hillenkoetter, and that tyros in the administrative staff surrounding him were interfering with their operations. In their view, the proper remedy would be to break up the CIA's "Kremlin" and to make Dulles the DCI.105/

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was naturally sympathetic to the point of view of the IAC members who had been advocating his own "board of directors" concept in opposition to Hillenkoetter.* Correa was still doubtful of the wisdom of entrusting interdepartmental coordination to an agency that was itself engaged in intelligence operations.**

It appeared to Jackson that Dulles had no plan to conduct a systematic survey, that he was interested only in writing out his personal prescription for the proper organization of clandestine operations. Jackson therefore went to Forrestal and obtained the assignment of Robert Blum to head an investigative staff for the Survey Group. [REDACTED]

Since he had also instigated the appointment of the Survey Group, he was no doubt glad to have an active part in the investigation.

* See pp. 66-67 and 76, above.

** See pp. 37-38 and 58, above. The distinction between the NIA and the DCI in relation to coordination had been lost in NIA Directive No. 5.

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Jackson and Blum quickly identified the DCI-IAC relationship as the crucial problem and wished to concentrate on that, but Dulles was interested only in specific operational problems.* This difference led to an early division of labor within the Survey Group. Jackson took interdepartmental coordination as his province, with regard to planning, estimates, and research services of common interest. Dulles concentrated on CIA's intelligence collection services, overt as well as covert. Correa got what was left: general administration and relations with the FBI.108/

In the end, Robert Blum drafted the body of the Survey Group's report, and William Jackson drafted the summary.** The report, dated 1 January 1949, was delivered to the NSC Secretariat on 18 January.

* On 30 June 1948, Dulles told the Eberstadt Committee that there was nothing the matter with CIA that the recruitment of more competent personnel would not correct.107/ Cf. his testimony in 1947, pp. 24-26, above.

** The reference to "the so-called Dulles Committee Report" in the IAC Minutes for 20 October 1950 may reflect Jackson's sense that he was the true author of the "Dulles Report." Jackson wrote the Minutes of that meeting.

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C. The Dulles Report

The report of the NSC Survey Group was devastating. It found that CIA had failed in its responsibilities with regard to both the coordination of intelligence activities and the production of national intelligence estimates, and it attributed those failures primarily to a lack of understanding and leadership on the part of the Director of Central Intelligence.*109/

That indictment was true in all particulars, but it did not tell the whole story. The situation that the Survey Group rightly deplored was also attributable in large part to the recalcitrance and incompetence of the departmental intelligence agencies.**

* The report contained 57 specific conclusions and recommendations. They will be taken up in subsequent chapters, as they applied to the Smith-Jackson reorganization of CIA.

** This aspect of the matter was recognized in the contemporary Eberstadt Report. It held that a vigorous effort was required to improve the internal structure of CIA and the quality of its product, but that an equal improvement of the departmental intelligence agencies was also essential. It also called for positive efforts to foster relations of mutual confidence between CIA and the departmental agencies, noting that CIA deserved and must have a greater degree of acceptance and support from the old-line intelligence services than it had hitherto had.110/ For further reference to the Eberstadt Report, see Volume II, p. 16, and Volume III, pp. 24-25.

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The Survey Group apparently assumed that they would cooperate, competently and without reservation, if given a stronger sense of participation in an IAC more effectively led by a more enterprising DCI. The report correctly held that, in the last analysis, the DCI was personally responsible for making the system work. If he could not obtain the cooperation of the IAC, he had recourse to the NSC.

The report held that the IAC was "soundly conceived" -- as a committee *advisory* to the DCI, in accordance with NSCID No. 1 -- but that it should participate more actively with the DCI in the continuing coordination of intelligence activities.* It observed that coordination could best be accomplished by mutual agreement in the IAC. That was obvious, but agreement had been impossible to obtain without compromise, obfuscation, and delay. The

* Since personally revising the DCI's draft NSCID's, in December 1947 (p. 77, above), the IAC had met only once, on 16 June 1948. It had been functioning, however, by the voting-slip method preferred by Admiral Inglis. The June 1948 meeting had been held at Souer's suggestion, after Forrestal had vetoed, at the NSC level, a DCID on which the IAC had agreed. lll/

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Survey Group was confident that effective coordination by agreement could be accomplished with the right measure of leadership by the DCI.112/

Nowhere did the report mention the "board of directors" concept, but its ghost walked in the passages relating to the production of national intelligence estimates. There it was held that such estimates should derive their authority from the "collective responsibility" of all of the members of the IAC.113/* Finally, the report strongly urged that the Director of Central Intelligence should be a civilian.114/ Its text on that point was derived from the text of Dulles's testimony given in 1947.**

D. Responses to the Dulles Report

Souers referred the Dulles Report to the IAC for comment, and the IAC met on 18 February 1949 to

* The subtle difference between the report's discussion of the IAC as a consultative body with regard to the coordination of intelligence activities and as a joint committee for the production of estimates seems to reflect a personal difference between Dulles, who favored a strong DCI, and Jackson, who was still impressed by the British JIC.

** See p. 24, above.

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consider a CIA draft for that purpose. General Wright, the Deputy Director, was in the chair. Admiral Hillenkoetter had found it necessary to pay a visit to the

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At this meeting, Park Armstrong (State) proved to be a remarkably well-informed interpreter of the intent and meaning of the Dulles Report. He was the only person present who had a good word to say for it. The other members of the IAC condemned it roundly, though for different reasons. General Wright scorned it as a mass of platitudinous observations leading to impractical recommendations. Admiral Inglis was even more vehement. Agreeing with Wright's general remarks (which was remarkable in itself), he denounced the report for calling upon the IAC to "assume" collective responsibility without according to it a corresponding collective authority. In the end, the IAC agreed that it could never agree on a single set of comments, and that each member should comment separately.116/

Admiral Hillenkoetter's lengthy comments in the Agency's response to the Dulles Report were generally conciliatory. He praised the Survey Group for an

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admirable and constructive effort to direct the CIA to fundamentals. He agreed that its observations were generally accurate and its objectives sound, but held that its conclusions were faulty in many respects and its recommendations unfeasible. He concurred in 37 of the report's 57 specific conclusions and recommendations, sometimes observing that what had been recommended was already in effect. Where he disagreed, he patiently explained why, generally with good reason.117/

Admiral Hillenkoetter was evidently confident that he had made a reasoned and reasonable defense, and that the NSC would accept it as such. He permitted himself to remark that, if intelligence coordination were as yet less than might be desired, the members of the NSC would understand the difficulties that had been encountered, particularly anyone (Forrestal) who had been concerned with the unification of the Armed Services. Only one note of personal resentment appeared in his 53 pages of comment: his reference to rumors in the fall of 1948 that one member of the Survey Group (Dulles) would be named DCI when Mr. Dewey took office as President.118/

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The comments of General Irwin, the Director of Intelligence, Army General Staff, were notable only for his flat rejection of the Survey Group's finding that the DCI had failed in his responsibility for the coordination of intelligence activities. The DCI, forsooth, had no such responsibility. That was a function of the IAC!119/*

The comments of Admiral Inglis showed his better understanding of the case. He knew that Irwin was dead wrong under the terms of NSCID No. 1, and that was the substance of his complaint. He denied that the IAC was "soundly conceived" and proposed a revision of NSCID No. 1 to establish an "Intelligence Coordinating Committee" (ICC) that would be directly subordinate to the NSC and would be charged by it with authority and responsibility for the coordination of intelligence activities and the production of national intelligence estimates. Inglis realized, of course, that these were functions of the DCI under the statute. Consequently he had to allow to

* Theoretically, coordination was a function of the NSC. The DCI could only submit recommendations to it, after consulting the IAC.

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the DCI a right of independent communication with the NSC without ICC concurrence. His plan was thus theoretically monstrous: two parallel authorities charged with the same functions.120/ His purpose, of course, was to force the DCI to pay attention to the IAC, and to give the IAC direct access to the NSC if he did not. Admiral Inglis also argued at length against the idea that the DCI should be a civilian, emphasizing the advantages of having a professional military officer in that position.121/

The position of the Department of State was, of course, a general endorsement of the Dulles Report.

E. NSC 50

The NSC readily agreed that it could not act on the basis of almost 300 pages of controversial literature. It asked the Secretaries of State and Defense* to review the papers in the case and to

* That is, Dean Acheson and Louis Johnson. Acheson succeeded Marshall as Secretary of State in January 1949. Johnson succeeded Forrestal as Secretary of Defense in March.

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recommend what action the NSC should take. NSC 50, the report of the two Secretaries to the Council, was actually prepared by General Joseph McNarney, with the nominal participation of Carlisle Humelsine and the active assistance of Robert Blum. Blum was amused to find himself drafting the NSC action on the recommendations that he had drafted for the Survey Group.*122/

On 7 July 1949 the NSC adopted the conclusions and recommendations of NSC 50. By so doing, it agreed that the Survey Group's condemnation of Hillenkoetter and the administration of CIA had been "too sweeping," but generally approved the Survey Group's recommendations for the reorganization and reform of CIA, with one notable exception. The NSC emphatically rejected the doctrine of "collective responsibility" for national intelligence estimates

* McNarney was Chairman of the Management Committee in the Office of the Secretary of Defense. Humelsine was Director of the State Department's Executive Secretariat. Impartial judgment at the managerial level seems to have been intended, excluding the contentious DCI and IAC, but Blum was now an interested party and Armstrong had some voice in the matter vice Humelsine.

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on the ground that the inevitable consequence would be estimates watered down to obtain agreement. It reaffirmed that the IAC was advisory to the DCI, but enjoined the DCI to enlist the more active participation of the IAC in the coordination of intelligence activities and the production of national estimates. CIA should, "as far as possible," refrain from duplicating departmental intelligence research and production.123/

The DCI was directed to reorganize the CIA generally along the lines recommended by the Survey Group, and to report progress within 90 days. The DCI and IAC were directed to address themselves to eight particular problems of coordination identified by the Survey Group, and to report progress within six months.124/

F. Hillenkoetter's Reaction to NSC 50

Whereas Admiral Hillenkoetter had responded to the Dulles Report with confidence, his spirit was crushed by the NSC's approval of NSC 50 -- even though the NSC had discounted the Survey Group's personal criticism of him as "too sweeping" and had reaffirmed the DCI's leading role in the coordination of

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intelligence activities and in the production of national intelligence estimates. Instead of being stimulated to exert the "forthright leadership" called for by the Dulles Report and NSC 50, he became psychologically withdrawn -- still amiably approachable, but more than ever unwilling to exercise initiative and leadership.^{125/} Since his Deputy, General Wright, had departed on 9 March and had not been replaced, this withdrawal on the part of the DCI in effect left no one in charge at CIA.*

In these circumstances, the component offices of CIA were left to determine for themselves how they would comply with the direction of the NSC in NSC 50. With one conspicuous exception, the reorganization plans submitted by Hillenkoetter were in dutiful compliance. That they were not implemented was not the

* To illustrate the point: when the author, who then represented CIA in the NSC Staff, as one familiar with the substance of intelligence, sought instruction from the DCI on a matter of CIA policy, he was told "I will support whatever position you take." If the author had thought himself qualified to take a position for CIA in that matter, he would not have sought instruction. The DCI's response was an abdication, not a proper delegation of authority. It was typical, however, of his attitude at that time. The occasion was that mentioned below, Volume IV, p. 4.

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fault of CIA. Rather, it was attributable to the unwillingness of the Department of State to accept the implications of the recommendation that it had endorsed.*

The conspicuous exception was the reorganization plan proposed by ORE and passively adopted by Hillenkoetter. It was, palpably, an attempt to perpetuate the status quo under a pretense of compliance.**

In the IAC, Hillenkoetter's attitude was passive, his tone sarcastic. He declared that, since coordination by mutual agreement was now the order of the day, he would vote with the majority -- but would the members please hurry up and agree among themselves, so that he could have a majority to vote with. That was, of course, an abdication of his responsibilities as DCI. In these circumstances, the IAC proceeded to prove its incapacity to function as a collective authority without strong leadership. Its Standing

* See Volume III, p. 1, and Volume IV, p. 56.

** See Volume III, pp. 27-29.

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Committee* was unable to deal promptly and effectively with the particular problems identified by the Survey Group.126/

G. The "Webb Staff Study"

Admiral Inglis having retired, Park Armstrong, the Special Assistant to the Secretary of State, assumed such leadership as there was in the IAC. On 2 August he submitted to the IAC four proposals which, he said, were designed to carry out the provisions of NSC 50 with regard to the coordination of intelligence activities, the production of national intelligence estimates, the definition of the research to be performed by CIA as a service of common interest, and the allocation of responsibility for the production of "political summaries."127/

These proposals were referred to the Standing Committee of the IAC, where the Service members refused to consider those that related to the internal organization of CIA, a remarkable reversal of Admiral Inglis's doctrine, but a position consistent with NSC

* A representative working group to prepare papers for IAC consideration.

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50. All agreed that the problem should be passed to the DCI's own coordinating staff for further study. On 21 December that staff submitted a report which, on the whole, rejected Armstrong's proposals as contrary to the National Security Act of 1947 and having a tendency to revive the "board of directors" concept rejected by the NSC in approving NSC 50. This response was in substantial agreement with the views of the Service members of the Standing Committee. Thus State was isolated within the IAC.128/*

State's failure at the IAC level coincided with Hillenkoetter's submission of his proposed "reorganization" of ORE to the NSC. That flagrant evasion of the plain intent of NSC 50 provoked General John Magruder, in the Office of the Secretary of Defense, to prepare a staff study on the "Production of National Intelligence."** This study concluded with a draft NSC

* One may surmise that the Service intelligence chiefs were beginning to see Hillenkoetter as a military man being persecuted by civilians -- perhaps also as a weak DCI who offered no real threat to them.

** Although this document became known as "the Webb Staff Study," Magruder was the initiator as well as the author.129/

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Intelligence Directive to be proposed by the Secretaries of State and Defense, acting jointly. That draft directive prescribed in some detail how the DCI should reorganize ORE in accordance with NSC 50.* It also gave to the IAC effective control over all finished intelligence produced by CIA. It would have established the principle of "collective responsibility" that the NSC had expressly rejected in approving NSC 50.130/

It is remarkable that John Magruder, the former Deputy Director of OSS and a champion of JIC 239/5,** should have been the author of such a plan. His own explanation was that Hillenkoetter's contumacy in perpetuating ORE forced State and Defense to go to that extreme in order to obtain any effective voice in the production of national intelligence estimates.131/ It should be noted that Magruder emphasized the obligation of the departmental agencies to participate constructively in the production of such estimates, which they had never yet done. His proposed organization for the purpose within CIA was substantially

* For the particulars, see Volume III, pp. 29-30.

** See p. 40, above.

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identical with that which Souers had adopted in 1946 -- that is, with the accepted concept before the advent of Vandenberg -- except that he vested control in the IAC as a committee, rather than in the DCI.

On 7 July 1950, James E. Webb, the Under Secretary of State, forwarded Magruder's staff study, dated 1 May, to the DCI for comment, as a joint proposal of the Departments of State and Defense.^{132/} That is, of course, how it came to be known as the "Webb Staff Study."

The response of CIA, prepared by Lawrence Houston, the General Counsel, boldly rejected the "Webb Staff Study" as flagrantly contrary to the National Security Act of 1947 and to NSC 50 as well. It effectively demonstrated that it was also contrary to the known views of the Secretary of Defense.*^{133/} CIA's counterproposal was a draft revision of NSCID No. 1 that clarified and elaborated all that had been obfuscated in Hillenkoetter's compromise with the IAC

* Fortuitously, Secretary Johnson had rejected an agreed plan for coordination by committee on the ground that it tended to obscure and obstruct the personal responsibility and authority of the DCI.

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in December 1947.* This draft reaffirmed the primary personal responsibility of the DCI for the coordination of intelligence activities and the production of national intelligence and commanded the loyal cooperation of the departmental intelligence agencies in the national interest. Moreover, it restored to the DCI the authority that Vandenberg had obtained and Hillenkoetter had dissipated -- to function as the executive agent of the NSC whose decisions, orders, and directives concerning the coordination of intelligence activities should have the same force and effect within the several departments as if they had been issued by the Secretary concerned, subject to that Secretary's right of appeal to the NSC.134**

This CIA response, sent to Under Secretary Webb on 26 July, had an electric effect. Webb hastened to say that the intent of his Staff Study had been "misconstrued." On 14 August he sent over a "corrected" copy.135/ Hillenkoetter and Houston met with Magruder to discuss the new version on 21 August, but that

* See p. 78, above.

** See p. 74, above.

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meeting was a stand-off -- no progress whatever was made toward a reconciliation of the opposing State-Defense and CIA positions.* CIA remained resolved to press for NSC consideration of its proposed revision of NSCID No. 1.136/

At that point the Executive Secretary of the NSC advised that further action should be suspended pending the arrival of a new Director of Central Intelligence.

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